

IT IS EXPECTED THAT A QUORUM OF THE PERSONNEL COMMITTEE, BOARD OF PUBLIC WORKS, PLAN COMMISSION WILL BE ATTENDING THIS MEETING; (ALTHOUGH IT IS NOT EXPECTED THAT ANY OFFICIAL ACTION OF ANY OF THOSE BODIES WILL BE TAKEN)

**CITY OF MENASHA**  
**Administration Committee**  
**140 Main Street, 3rd Floor Council Chambers**  
September 17, 2007

5:40 PM

**AGENDA**

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**I. CALL TO ORDER**

- A. Call to Order**

**II. ROLL CALL/EXCUSED ABSENCES**

- A. Roll Call**

**III. MINUTES TO APPROVE-MINUTES & COMMUNICATIONS TO RECEIVE**

- A. Administration Committee Minutes, 9/4/07**

☐ [Attachments](#)

**IV. DISCUSSION**

- A. Review and Accept 2006 City of Menasha Audit (Dave Maccoux, Schenck)**
- B. Proposal of Wolfrath's Nursery for the purchase, delivery and planting of 24 trees in the Province Terrace area not to exceed \$3,485 (TIF #9)**
- C. Recommendation of Parks and Recreation Board to Increase Marina Seasonal Slip Rates for 2008.**
- D. Agreement with Fox Valley Public Health Preparedness Consortium.**
- E. Offer to Purchase, 121 River Street, Michael Austin**
- F. Accounts payable and payroll for 9/6/07 - 9/13/07 for the amount of \$370,808.79.**

☐ [Attachments](#)

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**V. ADJOURNMENT**

- A. Adjournment**

Menasha is committed to its diverse population. Our Non-English speaking population or those with disabilities are invited to contact the Menasha City Clerk at 967-3600 24 hours in advance of the meeting so special accommodations can be made.

**CITY OF MENASHA**  
**Administration Committee**  
**140 Main Street, 3rd Floor Council Chambers**  
**September 4, 2007**  
**MINUTES**

**I. CALL TO ORDER**

- A. Meeting called to order by Chairman Wisneski at 5:00 p.m.

**II. ROLL CALL/EXCUSED ABSENCES**

- A. PRESENT: Ald. Taylor (5:03p.m), Wisneski, Pack, Eckstein (5:25p.m.), Michalkiewicz, Chase, Merkes.  
EXCUSED: Ald. Hendricks  
ALSO PRESENT: Mayor Laux, CA/HRD Brandt, PC Stanke, DPW Radtke, C/T Stoffel, AP Beckendorf, GM Young, Dick Sturm, Clerk Galeazzi and the Press.

**III. MINUTES TO APPROVE-MINUTES & COMMUNICATIONS TO RECEIVE**

**Minutes to approve:**

- A. **Administration Committee Minutes, 8/20/07**  
Moved by Ald. Michalkiewicz, seconded by Ald. Pack to approve.  
Motion carried on voice vote.

**IV. DISCUSSION**

**A. Update on Steam Utility Project and Water Treatment Plant (Discussion Only)**

Dick Sturm, Steam Plant Manager, reported on the Steam Utility Project: The No. 5 generator is on-line and No. 4 generator is still on-line. Staff will decide in the next week if to take No. 5 generator off-line. It all depends on the weather if No. 5 needs to be operating. The No. 5 back pressure turbine/generator is running on low steam. Engineering problems continue with No. 5 back pressure turbine/generator. The machine can only operate in the low pressure mode. They feel it is unsafe to operate it on high pressure. The valves are unstable. Dresser Rand has had several people on hand to help with working out the problems. Staff has been talking with the mid-management representatives from Dresser Rand on a solution. Upper management representatives need to make the final decision on replacing the equipment.

GM Doug Young reported on the Water Treatment Plant: They are in the final stages of painting the railings, pipes and other miscellaneous items in the plant. The landscaping is nearly done on the river side of the plant. The balance of equipment is being installed. The control system is being tested. Broad Street paving has been completed. They are receiving good resolutes from the circulation project on Brighton Beach Road. The construction lighting will remain up until security cameras are installed on the east side of the building.

**B. Recommendation from Utility Commission to Approval Sargent & Lundy Workout Plan.**

GM Young reviewed parts of the workout plan. He explained this is a roadmap to help them workout the debt burden. The top priority is to renegotiate current contracts with steam customers. This will help increase revenue. WPPI has indicated a willingness to support the renegotiations. Approval by the Council will allow staff to move forward.

- C. Division of Public Health Pandemic Influenza Contract Agreement #15738, Sept. 1, 2007 - July 31, 2008, and authorize signature.**

C/T Stoffel reported for PHD Nett. This is the same as previous contracts. It is not depended on the State budget being adopted.

- D. Offer to Purchase, 121 River Street, Michael Austin**

Mayor Laux explained the Plan Commission recommended selling the property, and the Council can decide on the price. Mr. Austin's intent for the property is to renovate the current structure on the property and use it as rental property.

Discussion ensued on zoning issues of the area, other vision for this area, if the structure is razed would the DNR allow building on the lot, whether the area is in a floodplain, the land alone is appraised at higher than offer to purchase.

Moved by Ald. Merkes, seconded by Ald. Taylor to schedule a Closed Session to discuss counter offer.

Discussion.

Motion failed on roll call 2-5.

Ald. Merkes, Taylor – yes. Ald. Wisneski, Pack, Eckstein, Michalkiewicz, Chase – no.

- E. Authorization of additional commitment of \$12,000 for continued Davis & Kuelthau representation regarding the issue of Fox River PCB contamination.**

No Questions or Discussion.

- F. O-13-07 An Ordinance Relating to C-4 Business Park District.**

Discussion ensued on substations needing to be added under Special Uses. CA/HRD Brandt explained Utilities owned substations would be exempt.

- G. O-14-07 Ordinance Relating to Height, Setback and Area Exceptions**

No Questions or Discussion.

- H. O-15-07 An Ordinance Relating to Zoning Districts**

No Questions or Discussion.

- I. O-16-07 An Ordinance Relating to R-3 Multi-Family, Medium Density Residence District.**

Discussion ensued on adding the wording under General Standards (f)(1) "whichever is less", regarding yard setbacks.

- J. O-17-07 An Ordinance Relating to R-4 Multi-Family, High Density Residence District.**

No Questions or Discussion.

- K. O-18-07 An Ordinance Relating to C-1 General Commercial District.**

Discussion ensued that an office building exceeding three stories in height would require a Special Use Permit.

- L. O-19-07 An Ordinance Relating to C-2 Central Business District.**

No Questions or Discussion.

- M. O-20-07 An Ordinance Relating to I-1 Heavy Industrial District.**

Discussion ensued on Accessory Building and Uses should include Watchmen Quarters

- N. O-21-07 An Ordinance Relating to I-2 General Industrial District.**

No Questions or Discussion.

**O. O-22-07 An Ordinance Relating to R-2A Multi-Family, Zero Lot Line Residence District.**  
No Questions or Discussion.

**P. O-23-07 An Ordinance Relating to C-3 Business and Office District.**

Discussion ensued on landscaping should be increased to 25-30%. CA/HRD Brandt explained landscaping is covered in Ordinance O-25-07.

**Q. O-24-07 An Ordinance Relating to Pole Signs.**

Discussion ensued on type of materials should be used for pole signs.

**6:50 p.m - Recessed for Public Hearing**

**6:52 p.m. – Reconvened**

**R. O-25-07 An Ordinance Relating to Site, Architectural, Landscaping and Lighting Plan Review.**

Discussion ensued on the type of construction material will be used in the lower 1/3 of the buildings.

**6:55 p.m – Recessed for Public Hearing**

**6:58 p.m. – Reconvened**

**S. O-26-07 An Ordinance Relating to Monument Signs.**

No Questions or Discussion.

**T. O-27-07 An Ordinance Relating to Traffic Visibility, Loading, Parking and Access.**

No Questions or Discussion.

**U. Accounts payable and payroll for 8/17/07-8/31/07 in the amount of \$834,196.45.**

Ck. #13916-GMN Consulting-\$380.00 – vacation coverage for IT staff.

Ck. #13944-Omini Assoc.-\$3,000.00 – real estate acquisition for Third Street project.

Ck. #13957-Stafford Rosenbaum-continue service for SCA Tissue tax-exempt status.

**V. ADJOURNMENT**

**A. Moved by Ald. Pack, second by Ald. Michalkiewicz to adjourn at 7:00 p.m.**  
**Motion carried on voice vote.**

**Respectfully submitted by Deborah A. Galeazzi, City Clerk**

**MANAGEMENT LETTER**  
**CITY OF MENASHA, WISCONSIN**  
**DECEMBER 31, 2006**

**CITY OF MENASHA, WISCONSIN**  
December 31, 2006

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To the Honorable Mayor and Members of the City Council  
City of Menasha, Wisconsin

We have completed our audit of the basic financial statements of the City of Menasha, Wisconsin for the year ended December 31, 2006. The City's financial statements, including our report thereon, are presented in a separate audit report document. Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, noncompliance with the provisions of laws, regulations, contracts and grants or other illegal acts may exist and not be detected by us.

Professional standards require us to consider the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the City's financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. As part of our audit, we have not performed procedures specifically to identify deficiencies in internal control or to express an opinion on the effectiveness of your internal control.

Audit standards were changed in 2006 by the American Institute of Certified Public Accountants (AICPA) to lower the definition of control deficiencies that we must communicate to management and the City Council as part of our audit. In addition, the revised standard clarifies that the significance of a control deficiency is dependent on the *potential* for misstatement, not whether a misstatement actually occurred. As a result, the number of control deficiencies reported by auditors will significantly increase.

Statement of Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, requires us to:

- a. Evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses.
- b. Communicate in writing to management and the City Council control deficiencies that are considered significant deficiencies or material weaknesses, including those identified in previous audits that have not yet been corrected.

**Responsibility of Management and the Auditor**

The new standard is expected to generate additional discussion of internal controls and their importance between management and the auditors. The City is responsible for establishing, maintaining and monitoring internal controls, and for the fair presentation of the City's financial statements, including notes, in conformity with accounting principles generally accepted in the United States of America. An effective internal control system includes anti-fraud controls, controls to ensure accurate and timely financial reporting and to ensure safeguarding of the City's assets.

# GENERAL CITY

## FINANCIAL COMMENTS

### 1. City Fund Balances

Presented below is a summary of the City's governmental and fiduciary fund balances on December 31, 2006 including a comparison to the prior year. This information is provided to assist management in assessing financial results for 2006 and for indicating financial resources available at the start of the 2007 budget year.

	12/31/06	12/31/05
General Fund		
Reserved for noncurrent assets	\$ 505,140	\$ 78,581
Unreserved		
Designated for subsequent years' expenditures	143,347	189,643
Designated for subsequent years' budget	1,362,500	777,000
Undesignated	2,245,355	2,622,074
Total Fund Balance	4,256,342	3,667,298
Special Revenue Funds		
Housing rehabilitation revolving loans	5,727	49,093
Community development block grant	150,568	152,176
Marina operations	63,892	183,835
TIF District No. 1	115,865	115,867
TIF District No. 2	1	3
TIF District No. 3	(19,307)	-
Park development	81,632	78,628
Law enforcement grant	4,607	2,213
Recycling	104,016	99,482
Post employment sick leave reserve	334,142	413,684
Lead paint reduction	(962)	(19,649)
Library endowment	142,340	134,268
Hattie Minor Scholarship	49,201	49,489
Public safety donations	3,032	3,110
Heckrodt Nature Center	9,850	8,090
Senior Center memorials	3,165	2,887
Senior Center fund raising	2,716	2,727
Total Special Revenue Funds	1,050,485	1,275,903
Debt Service Fund		
Reserved	3,785,013	4,583,881
Capital Projects Funds		
2001 Capital projects	-	37,309
2002 Capital projects	-	(63,037)
2003 Capital projects	68,149	64,952
2004 Capital projects	124,684	233,426
2005 Capital projects	48,346	(14,405)
2006 Capital projects	515,287	-
Capital improvements	10,396	10,004
Capital facilities	241,641	230,181
Tax Incremental District No. 4	(65,617)	(51,811)
Tax Incremental District No. 5	447,309	1,006,303
Tax Incremental District No. 6	(17,205)	135,177
Tax Incremental District No. 7	(173,255)	(58,914)
Tax Incremental District No. 8	40,552	119,129
Tax Incremental District No. 9	956,357	811,402
Tax Incremental District No. 10	1,350	-
Roadways at River's Edge	68,183	68,183
Total Capital Projects Funds	2,266,177	2,527,899
Total Governmental Fund Balances	\$ 11,358,017	\$ 12,054,981



## 1. City Fund Balances (Continued)

The City's general fund increased \$589,044 during the year resulting from favorable expenditure variances which offset the anticipated fund balance applied in the 2006 budget. The City's undesignated fund balance currently is \$2,245,355 or 13.3% of the City's 2007 general fund expenditure budget.

## 2. City's Debt Position

At December 31, 2006, the City has outstanding general obligation debt totaling \$37,474,705. The City's CVMIC fund is responsible for general obligation debt totaling \$111,420. The debt service payments on this debt are being financed by dividends from CVMIC. Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2006 are allocated as follows:

Year Ended December 31	Internal Service Fund		General Long-term Debt		Utility Fund		Total G.O. Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 111,420	\$ 4,847	\$ 1,955,950	\$ 1,007,329	\$ 12,340,000	\$ 592,265	\$ 14,407,370	\$ 1,604,441
2008	-	-	2,573,725	928,318	-	-	2,573,725	928,318
2009	-	-	2,343,610	852,872	-	-	2,343,610	852,872
2010	-	-	3,025,000	786,963	-	-	3,025,000	786,963
2011	-	-	2,065,000	626,819	-	-	2,065,000	626,819
2012-2016	-	-	11,950,000	1,480,493	-	-	11,950,000	1,480,493
2017-2021	-	-	1,110,000	125,988	-	-	1,110,000	125,988
	<u>\$ 111,420</u>	<u>\$ 4,847</u>	<u>\$ 25,023,285</u>	<u>\$ 5,808,782</u>	<u>\$ 12,340,000</u>	<u>\$ 592,265</u>	<u>\$ 37,474,705</u>	<u>\$ 6,405,894</u>

In addition, the City has issued bond and note anticipation notes totaling \$9,815,000 to finance costs associated with TID No. 3, No. 4, No. 5, No. 7, No. 8, No. 9, No. 10 and other City projects. The City expects to refinance this debt into general obligation debt upon maturity. Therefore, at December 31, 2006, the total outstanding debt relating to general City operations totals \$34,949,705. The City's tax incremental financing districts are responsible for outstanding debt of \$19,408,285 and these debt payments will be recovered from future tax increments generated.

### Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2006 was \$13,121,152 as follows:

Equalized valuation of the City	\$958,020,000
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	47,901,000
Total outstanding general obligation debt applicable to debt limitation	\$ 37,474,705
Less: Amounts available for financing general obligation debt	
Debt service fund	2,694,857
Net outstanding general obligation debt applicable to debt limitation	34,779,848
Legal Margin for New Debt	<u>\$ 13,121,152</u>

### 3. Tax Incremental Districts

The City has created and recorded financial activity in ten tax incremental districts as of December 31, 2006. All project expenditures for TID No. 1, 2 and 3 have been completed; accordingly, financial transactions of the districts are recorded in special revenue funds. The remaining districts are still eligible to incur project expenditures and are therefore recorded in capital projects funds. A summary of the net unreimbursed project costs and outstanding long-term debt as of December 31, 2006 is presented below:

	Net Unreimbursed Project Costs	Outstanding Long-term Debt
Tax Incremental District No. 1	\$ 1,148,441	\$ -
Tax Incremental District No. 2	175,990	-
Tax Incremental District No. 3	801,030	1,585,000
Tax Incremental District No. 4	1,372,144	1,375,000
Tax Incremental District No. 5	4,441,015	4,918,285
Tax Incremental District No. 6	3,752,607	3,750,000
Tax Incremental District No. 7	1,988,254	1,815,000
Tax Incremental District No. 8	924,448	965,000
Tax Incremental District No. 9	3,668,643	4,625,000
Tax Incremental District No. 10	373,650	375,000
	<u>\$ 18,646,222</u>	<u>\$ 19,408,285</u>

### 4. City Garage

Presented below is a summary of revenues, expenses and changes in retained earnings for the City garage internal service fund for the years ended December 31, 2006 and 2005.

	2006	2005
Operating Revenues		
Charges for services	\$ 949,068	\$ 1,016,254
Operating Expenses		
Operation and maintenance	767,698	665,908
Depreciation	306,140	445,876
Total Operating Expenses	<u>1,073,838</u>	<u>1,111,784</u>
Operating Income (Loss)	<u>(124,770)</u>	<u>(95,530)</u>
Nonoperating Revenues (Expenses)		
Interest revenue	12,505	7,926
Sales of gasoline	1,456	1,952
Gain (loss) on disposal of capital assets	10,292	(7,852)
Total Nonoperating Revenues (Expenses)	<u>24,253</u>	<u>2,026</u>
Changes in Net Assets	(100,517)	(93,504)
Net Assets - January 1	<u>2,203,549</u>	<u>2,297,053</u>
Net Assets - December 31	<u>\$ 2,103,032</u>	<u>\$ 2,203,549</u>

The City has used cash generated from operations to finance annual capital asset purchases. During 2006, capital assets of \$249,226 were acquired by the City.

## 5. Property and Liability Insurance

During 1987, the City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC) to provide liability insurance services to its members. The City provided its share of the original financing for CVMIC by the issuance of general obligation bonds totaling \$1,031,220 on November 1, 1987.

The City has established a separate internal service fund to account for the operations of the property and liability insurance fund. The fund pays all liability claims owed by the City along with any premiums charged to the City by CVMIC. The fund also makes the principal and interest payments on the general obligation bonds. Revenues of the fund consist of charges to City departments covered by the insurance and reimbursements from CVMIC for the principal and interest payments made by the City on the debt. A summary of the 2006 transactions, with a comparison to 2005, for the property and liability self-insurance fund follows:

	2006	2005
Operating Revenues		
Charges for services	\$ 96,825	\$ 96,825
Operating Expenses		
Insurance payments and claims	193,701	116,574
Operating Loss	(96,876)	(19,749)
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(14,133)	(22,644)
Dividends from CVMIC	116,195	116,265
Total Nonoperating Revenues (Expenses)	102,062	93,621
Changes in Net Assets	5,186	73,872
Net Assets - January 1	949,944	876,072
Net Assets - December 31	\$ 955,130	\$ 949,944

The liability self-insurance fund generated an operating loss of \$96,876 for 2006, compared to an operating loss of \$19,749 for the prior year.

Dividends of \$116,195 from CVMIC were for principal and interest paid by the City during 2006 for the general obligation bonds issued November 1, 1987. Future dividends from CVMIC are contingent on the availability of cash funds held by CVMIC. The balance of principal outstanding on the bonds issued November 1, 1987 amounts to \$111,420 on December 31, 2006.

## 6. Dental Insurance

During 1997, the City became self-funded for dental insurance. An internal service fund was established to accumulate resources through department charges to pay dental claims of City employees, retirees and employee dependents and administrative fees. A summary of 2006 transactions with a comparison to 2005 is presented below:

	2006	2005
Operating Revenues		
Charges for services	\$ 108,653	\$ 83,853
Operating Expenses		
Dental insurance claims	106,833	102,014
Administrative fees	7,628	7,941
Total Operating Expenses	114,461	109,955
Changes in Net Assets	(5,808)	(26,102)
Net Assets - January 1	7,487	33,589
Net Assets - December 31	\$ 1,679	\$ 7,487

On December 31, 2006, the dental insurance internal service fund reported a claim liability of \$9,443 based on the requirements of GASB Statement No. 10.

## **CURRENT YEAR COMMENTS AND OBSERVATIONS**

### **Processing of Journal Entries**

During our audit, we noted instances where journal entries did not provide an adequate explanation for the purpose of the entry or contain other supporting documentation. We also noted that journal entries were not reviewed and approved by someone other than the individual preparing the entry. While all journal entries reviewed during our audit were appropriate, we believe supporting documentation and, if practical, evidence of review should accompany all journal entries entered into the City's general ledger.

We therefore recommend that the City develop a policy for processing journal entries that includes 1) adequate explanation and documentation and, 2) if practical, the review of all journal entries prior to the entering into the City's general ledger.

## OTHER REQUIRED COMMUNICATION

In accordance with the requirements of government auditing standards generally accepted in the United States of America, the following disclosures are presented:

### 1. **Significant Accounting Policies**

The significant accounting policies used in the preparation of the financial statements are disclosed in Note A to the basic financial statements. There have been no material unusual transactions or controversial accounting issues.

### 2. **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. We are not aware of any particularly sensitive accounting estimates used by management in the preparation of the financial statements.

### 3. **Significant Audit Adjustments**

The financial statements reflect all significant accounting adjustments proposed during our audit. Copies of the audit adjustments are available from management.

### 4. **Other Information in Documents Containing Audited Financial Statements**

All the information included in the basic financial statements has been audited. Our responsibilities are addressed in the Independent Auditors' Report.

### 5. **Disagreements with Management**

We have had no material disagreements with management. For the purposes of this disclosure, professional accounting standards define a disagreement with management as a matter concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report.

### 6. **Consultations with Other Auditors**

To the best of our knowledge, management has not consulted with or obtained opinions from other independent auditors on auditing and accounting matters during the past year.

### 7. **Issues Discussed Prior to the Current Audit**

We have discussed various accounting and financial issues, including the application of any new and changed accounting principles or auditing standards, with management prior to conducting the audit. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to completing the services as your auditor.

### 8. **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing the audit.

**CITY OF MENASHA, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2006**



**Schenck**

**Government & Not-For-Profit Solutions**

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**CITY OF MENASHA, WISCONSIN**  
December 31, 2006

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**CITY OF MENASHA, WISCONSIN**  
December 31, 2006

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## INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Honorable Mayor  
and Members of the City Council  
City of Menasha, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Menasha, Wisconsin ("the City") as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Menasha, Wisconsin's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplemental information, and the Schedule of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Certified Public Accountants  
Green Bay, Wisconsin  
August 13, 2007

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## **City of Menasha, Wisconsin Management's Discussion and Analysis**

As management of the City of Menasha, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2006.

### **Financial Highlights**

- The City's assets exceeded its liabilities as of December 31, 2006 by \$54.1 million (net assets). Of this amount, \$8.4 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$3.1 million (reduction of \$1.5 million in governmental activities and a reduction of \$1.6 million in business-type activities).
- Property taxes levied to finance general City operations totaled \$9,358,703, an increase of \$735,096 from the prior year. Tax increments generated by the City's ten tax incremental districts totaled \$1,036,558.
- As of December 31, 2006, the City's governmental funds reported combined ending fund balances of \$11.4 million, a decrease of \$700,000 in comparison with the prior year. Approximately 63% of this total amount, \$7.1 million is available for spending at the City's discretion (unreserved fund balance).
- As of December 31, 2006, unreserved fund balance for the general fund was \$3.8 million, or approximately 25% of total general fund expenditures. The general fund balance increased \$589,044 during 2006; however, the City had anticipated a \$947,000 reduction in its adopted budget for 2006. The City had a positive expenditure budget variance of \$1.52 million for the current year.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include Menasha Utilities (provides electric, water, and telecommunication services to City residents), and sewage treatment services.

The government-wide financial statements can be found on pages 10 - 12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and debt service fund both of which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 17 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, steam and telecommunications utilities (Menasha Utilities) and its sewerage system operations (reclassified from a special revenue fund in 2003). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service funds to account liability and dental insurance claims and the City's garage. Because these services predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Menasha Utilities which is considered to be a major fund of the City and the sewage treatment operations. The City's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 18 - 20 of this report.

**Fiduciary fund.** The City accounts for tax collections of other taxing entities within an agency fund. The fiduciary fund financial statements can be found on page 21 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 - 45 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following notes to the basic financial statements.



## Government-wide Financial Analysis

**Net assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$54.1 million at the close of 2006.

City of Menasha, Wisconsin's Net Assets (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 32,257	\$ 32,545	\$ 15,360	\$ 28,080	\$ 47,617	\$ 60,625
Capital assets	41,973	41,266	76,746	53,479	118,719	94,745
Total Assets	74,230	73,811	92,106	81,559	166,336	155,370
Long-term liabilities outstanding	36,521	35,526	55,541	41,176	92,062	76,702
Other liabilities	11,983	11,090	8,205	10,388	20,188	21,478
Total Liabilities	48,504	46,616	63,746	51,564	112,250	98,180
Net Assets						
Invested in capital assets, net of related debt	16,330	15,623	21,205	22,527	37,535	38,150
Restricted	3,947	5,888	4,183	3,608	8,130	9,496
Unrestricted	5,449	5,684	2,972	3,860	8,421	9,544
Total Net Assets	\$ 25,726	\$ 27,195	\$ 28,360	\$ 29,995	\$ 54,086	\$ 57,190

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used and consist of \$5.9 million restricted for debt service, \$1.3 million restricted for community development loans, and \$1 million restricted for capital projects. The remaining balance of unrestricted net assets (\$10,438,387) may be used to meet the City's ongoing obligations to citizens and creditors.

**Change in net assets.** A summary of the City's change in net assets follows:

<b>City of Menasha, Wisconsin's Change in Net Assets</b>						
<b>(In thousands of dollars)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 2,940	\$ 2,955	\$ 42,431	\$ 37,369	\$ 45,371	\$ 40,324
Operating grants and contributions	1,767	1,540	-	-	1,767	1,540
Capital grants and contributions	6	186	560	2,868	566	3,054
<b>General Revenues</b>						
Property taxes	9,359	8,623	-	-	9,359	8,623
Other taxes	190	201	-	-	190	201
Grants and contributions not restricted to specific programs	4,403	4,335	-	-	4,403	4,335
Other	1,490	1,279	578	1,274	2,068	2,553
<b>Total Revenues</b>	<b>20,155</b>	<b>19,119</b>	<b>43,569</b>	<b>41,511</b>	<b>63,724</b>	<b>60,630</b>
<b>Expenses</b>						
General government	2,038	2,159	-	-	2,038	2,159
Public safety	6,759	6,665	-	-	6,759	6,665
Public works and sanitation	5,282	4,845	-	-	5,282	4,845
Health and human services	784	711	-	-	784	711
Culture and recreation	3,478	3,679	-	-	3,478	3,679
Conservation and development	2,340	2,897	-	-	2,340	2,897
Interest on long-term debt	1,856	1,399	-	-	1,856	1,399
Electric	-	-	32,670	32,645	32,670	32,645
Steam	-	-	7,054	129	7,054	129
Water	-	-	2,766	2,676	2,766	2,676
Telecommunications	-	-	65	55	65	55
Sewage treatment	-	-	1,736	1,411	1,736	1,411
<b>Total Expenses</b>	<b>22,537</b>	<b>22,355</b>	<b>44,291</b>	<b>36,916</b>	<b>66,828</b>	<b>59,271</b>
<b>Change in Net Assets Before Transfers</b>	<b>(2,382)</b>	<b>(3,236)</b>	<b>(722)</b>	<b>4,595</b>	<b>(3,104)</b>	<b>1,359</b>
<b>Transfers</b>	<b>913</b>	<b>894</b>	<b>(913)</b>	<b>(894)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(1,469)</b>	<b>(2,342)</b>	<b>(1,635)</b>	<b>3,701</b>	<b>(3,104)</b>	<b>1,359</b>
<b>Net Assets - January 1</b>	<b>27,195</b>	<b>29,537</b>	<b>29,995</b>	<b>26,294</b>	<b>57,190</b>	<b>55,831</b>
<b>Net Assets - December 31</b>	<b>\$ 25,726</b>	<b>\$ 27,195</b>	<b>\$ 28,360</b>	<b>\$ 29,995</b>	<b>\$ 54,086</b>	<b>\$ 57,190</b>

The narrative that follows considers the operations of governmental and business-type activities separately.

**Governmental activities.** The change in net assets for 2006 was a decrease of \$1.5 million. The above transfer represents the payment in lieu of taxes that Menasha Utilities pays to the City.

**Business-type activities.** Menasha Utilities portion of the decrease was \$1.4 million while the sewerage system services increase was \$.2 million. Capital contributions of \$0.6 million are primarily from work being completed in the new subdivisions in Calumet County which were financed by developers.

## **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of December 31, 2006, the City's governmental funds reported combined ending fund balances of \$11.4 million, a decrease of \$0.7 million in comparison with the prior year. \$4.3 million of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for current year purchases of items that benefit periods beyond the end of the current year. The remaining fund balance of \$7.1 million is available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At the end of the current year, unreserved fund balance of the general fund was \$3,782,877, while total fund balance reached \$4,256,342. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25.2% of total general fund expenditures, while total fund balance represents 28.3% of that same amount.

The City's general fund balance increased \$589,044 during the current year as positive expenditure variances of \$1,520,867 and positive other financing source variances of \$15,524 offset the anticipated reduction of \$946,823 and a revenue shortfall of \$524.

The debt service fund is used to retire long-term debt related to governmental activities and annually levies sufficient taxes, special assessment collections or anticipated transfers from the City's tax incremental districts to retire all obligations as they come due. The debt service fund balance totals \$3,785,013, a decrease of \$798,868 from the prior year.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Total net assets of Menasha Utilities at the end of the year amounted to \$24,649,216 with \$17,665,142 invested in capital assets net of related debt, \$3,182,581 restricted for debt retirement, \$1,000,000 restricted for plant replacement and \$4,818,546 as unrestricted. The fund experienced a reduction in net assets of \$1,446,076.

Total net assets of the sewage treatment operation at the end of the year amounted to \$3,710,402. Included in net assets is \$3,539,438 invested in capital assets and \$170,964 as unrestricted. The fund experienced a decrease in net assets of \$189,150.

## **General Fund Budgetary Highlights**

During the year, actual revenues were less than budgeted revenues by \$524 due primarily to less building inspection revenues, which was offset by lower than anticipated expenditures within the building inspection cost center. Actual expenditures were less than budgeted expenditures by \$1,520,867.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2006 amounts to \$118.7 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways, sidewalks, parking facilities), and construction in progress. The total increase in the City's investment in capital assets for the current year was \$24 million or 25% over last year.

Major capital assets acquired, constructed or deleted during the year include:

### **Governmental Activities**

- Infrastructure additions of \$1.6 million relate to development.

### **Business-Type Activities**

- During 2006 the electric utility had developer and customer contributions of \$88,446 with a total contributed plant of \$1,444,427. The water utility had developer contributions during the year of \$171,164 with a total contributed plant of \$1,212,559. The single largest contribution was \$154,247 for the relocation of the River Street main.

City of Menasha, Wisconsin's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 8,947,642	\$ 8,750,428	\$ 872,515	\$ 855,385	\$ 9,820,157	\$ 9,605,813
Buildings	10,407,485	10,407,485	16,018,669	5,064,842	26,426,154	15,472,327
Improvements other than buildings	-	-	41,025,470	26,673,639	41,025,470	26,673,639
Machinery and equipment	6,678,976	6,427,771	34,292,289	16,272,875	40,971,265	22,700,646
Infrastructure	34,750,962	33,120,263	-	-	34,750,962	33,120,263
Construction in progress	132,484	128,265	7,841,716	25,778,013	7,974,200	25,906,278
Other assets	-	-	490,937	638,405	490,937	638,405
Less: Accumulated depreciation	(18,944,598)	(17,567,909)	(23,795,968)	(21,804,334)	(42,740,566)	(39,372,243)
Total	\$ 41,972,951	\$ 41,266,303	\$ 76,745,628	\$ 53,478,825	\$ 118,718,579	\$ 94,745,128

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$88,166,641. Of this amount, \$37,474,705 comprises debt backed by the full faith and credit of the government while the remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

<b>City of Menasha, Wisconsin's Outstanding Debt</b>						
<b>General Obligation Debt, Revenue Bonds and Other Debt</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
General Obligation Debt						
Bonds	\$ 4,421,420	\$ 4,773,480	\$ -	\$ -	\$ 4,421,420	\$ 4,773,480
Notes	20,713,285	21,833,901	12,340,000	11,000,000	33,053,285	32,833,901
Total General Obligation	25,134,705	26,607,381	12,340,000	11,000,000	37,474,705	37,607,381
Bond anticipation notes	5,395,000	6,125,000	-	-	5,395,000	6,125,000
Note anticipation notes	4,420,000	1,330,000	-	-	4,420,000	1,330,000
Revenue bonds	-	-	14,041,936	13,774,255	14,041,936	13,774,255
Revenue bond anticipation notes	-	-	26,835,000	14,905,000	26,835,000	14,905,000
Total	\$ 34,949,705	\$ 34,062,381	\$ 53,216,936	\$ 39,679,255	\$ 88,166,641	\$ 73,741,636

During the year, the City's long-term debt increased \$15.3 million due primarily to steam utility construction.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$47,901,000.

#### **Economic Factors and Next Year's Budgets and Rates**

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry and retail activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2007 year.

#### **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Thomas Stoffel, Comptroller/Treasurer, 140 Main Street, Menasha, WI 54952-3190.



## **BASIC FINANCIAL STATEMENTS**





**CITY OF MENASHA, WISCONSIN**

Statement of Net Assets

December 31, 2006

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 13,283,006	\$ 588,631	\$ 13,871,637
Receivables			
Taxes	6,216,166	-	6,216,166
Accounts	1,192,338	3,760,027	4,952,365
Special assessments	5,678,377	-	5,678,377
Loans	2,398,429	-	2,398,429
Internal balances	1,087,333	(1,087,333)	-
Due from other governments	419,611	-	419,611
Inventories and prepaid items	425,873	962,696	1,388,569
Deferred charges	382,032	1,517,813	1,899,845
Restricted assets			
Cash and investments	-	4,005,555	4,005,555
Other assets	1,173,560	5,527,605	6,701,165
Interest receivable	-	85,705	85,705
Capital assets, nondepreciable			
Land	8,947,642	872,515	9,820,157
Other assets	-	490,937	490,937
Construction in progress	132,484	7,841,716	7,974,200
Capital assets, depreciable			
Buildings and improvements	10,407,485	16,018,669	26,426,154
Improvements other than buildings	-	41,025,470	41,025,470
Machinery and equipment	6,678,976	34,292,289	40,971,265
Infrastructure	34,750,962	-	34,750,962
Less: Accumulated depreciation	(18,944,598)	(23,795,968)	(42,740,566)
<b>TOTAL ASSETS</b>	<b>74,229,676</b>	<b>92,106,327</b>	<b>166,336,003</b>
<b>LIABILITIES</b>			
Accounts payable	1,572,301	4,308,949	5,881,250
Accrued and other current liabilities	36,171	1,088,231	1,124,402
Accrued interest payable	521,171	85,896	607,067
Due to other governments	867	-	867
Unearned revenues	9,852,309	2,722,585	12,574,894
Long-term obligations			
Due within one year	2,467,370	13,112,622	15,579,992
Due in more than one year	34,053,757	42,428,426	76,482,183
<b>TOTAL LIABILITIES</b>	<b>48,503,946</b>	<b>63,746,709</b>	<b>112,250,655</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,329,988	21,204,580	37,534,568
Restricted for			
Debt service	2,694,857	3,182,581	5,877,438
Capital projects	-	1,000,000	1,000,000
Community development loans	1,252,008	-	1,252,008
Unrestricted	5,448,877	2,972,457	8,421,334
<b>TOTAL NET ASSETS</b>	<b>\$ 25,725,730</b>	<b>\$ 28,359,618</b>	<b>\$ 54,085,348</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
**Statement of Activities**  
For the Year Ended December 31, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,037,720	\$ 483,635	\$ -	\$ -
Public safety	6,758,914	460,873	78,969	-
Public works	5,282,252	1,302,949	1,095,439	6,306
Health and human services	783,527	254,928	210,189	-
Culture and recreation	3,478,421	431,564	372,526	-
Conservation and development	2,340,197	5,690	9,553	-
Interest on debt	1,856,368	-	-	-
Total Governmental Activities	<u>22,537,399</u>	<u>2,939,639</u>	<u>1,766,676</u>	<u>6,306</u>
Business-type Activities				
Electric utility	32,670,253	33,601,722	-	88,448
Steam utility	7,053,817	3,857,640	-	299,961
Water utility	2,766,405	3,370,424	-	171,168
Telecommunication utility	65,009	69,984	-	-
Sewerage system	1,736,409	1,531,599	-	-
Total Business-type Activities	<u>44,291,893</u>	<u>42,431,369</u>	<u>-</u>	<u>559,577</u>
Total	<u>\$ 66,829,292</u>	<u>\$ 45,371,008</u>	<u>\$ 1,766,676</u>	<u>\$ 565,883</u>

General revenues

- Taxes
  - Property taxes levied for general purposes
  - Property taxes levied for debt service
  - Tax increments
  - Other taxes
- Federal and state grants and other contributions not restricted to specific functions
- Interest and investment earnings
- Miscellaneous
- Special item - gain on sale of asset
- Transfers
- Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Totals

\$ (1,554,085)	\$ -	\$ (1,554,085)
(6,219,072)	-	(6,219,072)
(2,877,558)	-	(2,877,558)
(318,410)	-	(318,410)
(2,674,331)	-	(2,674,331)
(2,324,954)	-	(2,324,954)
(1,856,368)	-	(1,856,368)
<u>(17,824,778)</u>	<u>-</u>	<u>(17,824,778)</u>

-	1,019,917	1,019,917
-	(2,896,216)	(2,896,216)
-	775,187	775,187
-	4,975	4,975
-	(204,810)	(204,810)
-	<u>(1,300,947)</u>	<u>(1,300,947)</u>
<u>(17,824,778)</u>	<u>(1,300,947)</u>	<u>(19,125,725)</u>

6,831,952	-	6,831,952
1,490,193	-	1,490,193
1,036,558	-	1,036,558
189,918	-	189,918
4,403,011	-	4,403,011
903,550	753,939	1,657,489
169,158	(175,661)	(6,503)
418,463	-	418,463
912,557	(912,557)	-
<u>16,355,360</u>	<u>(334,279)</u>	<u>16,021,081</u>
(1,469,418)	(1,635,226)	(3,104,644)
<u>27,195,148</u>	<u>29,994,844</u>	<u>57,189,992</u>
<u>\$ 25,725,730</u>	<u>\$ 28,359,618</u>	<u>\$ 54,085,348</u>

**CITY OF MENASHA, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 9,538,786	\$ -	\$ 3,482,278	\$ 13,021,064
Receivables				
Taxes	3,919,692	1,224,384	1,024,498	6,168,574
Delinquent personal property taxes	47,592	-	-	47,592
Accounts	1,140,381	-	5,455	1,145,836
Special assessments	5,467	5,672,910	-	5,678,377
Loans	-	-	2,398,429	2,398,429
Due from other funds	2,094,591	3,424,838	1,501,717	7,021,146
Due from other governments	384,891	-	34,720	419,611
Inventories and prepaid items	425,873	-	-	425,873
Other assets	-	-	142,340	142,340
Advance to other funds	-	1,090,156	-	1,090,156
<b>TOTAL ASSETS</b>	<b>\$ 17,557,273</b>	<b>\$ 11,412,288</b>	<b>\$ 8,589,437</b>	<b>\$ 37,558,998</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,394,943	\$ -	\$ 77,016	\$ 1,471,959
Accrued and other current liabilities	36,171	-	-	36,171
Due to other funds	5,502,535	-	1,285,595	6,788,130
Deferred revenues	6,367,282	7,627,275	3,910,164	17,904,721
<b>Total Liabilities</b>	<b>13,300,931</b>	<b>7,627,275</b>	<b>5,272,775</b>	<b>26,200,981</b>
<b>Fund Balances</b>				
<b>Reserved for</b>				
Inventories and prepaid items	425,873	-	-	425,873
Delinquent personal property taxes	47,592	-	-	47,592
Long-term receivable	31,675	-	-	31,675
Retirement of long-term debt	-	2,694,857	-	2,694,857
Long-term advance	-	1,090,156	-	1,090,156
<b>Unreserved</b>				
<b>Designated, reported in</b>				
<b>General fund</b>				
Subsequent year's expenditures	143,347	-	-	143,347
Subsequent year's budget	1,362,500	-	-	1,362,500
<b>Special revenue funds</b>				
Subsequent year's expenditures	-	-	1,070,754	1,070,754
<b>Capital projects funds</b>				
Subsequent year's expenditures	-	-	2,522,254	2,522,254
<b>Undesignated, reported in</b>				
<b>General fund</b>				
Subsequent year's expenditures	2,245,355	-	-	2,245,355
<b>Special revenue funds</b>				
Subsequent year's expenditures	-	-	(20,269)	(20,269)
<b>Capital projects funds</b>				
Subsequent year's expenditures	-	-	(256,077)	(256,077)
<b>Total Fund Balances</b>	<b>4,256,342</b>	<b>3,785,013</b>	<b>3,316,662</b>	<b>11,358,017</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,557,273</b>	<b>\$ 11,412,288</b>	<b>\$ 8,589,437</b>	<b>\$ 37,558,998</b>

(Continued)

**CITY OF MENASHA, WISCONSIN**  
Balance Sheet (Continued)  
Governmental Funds  
December 31, 2006

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page \$ 11,358,017

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 39,804,306

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

    Special assessments 5,713,983  
    Loans receivable 2,338,429

Internal service funds reported in the statement of net assets as governmental activities (see page 19) 3,059,841

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	\$(34,838,285)	
Debt premium	(146,748)	
Loss on advance refunding	41,197	
Compensated absences	(1,465,871)	
Deferred charges - bond issues	382,032	
Accrued interest on long-term obligations	(521,171)	(36,548,846)

Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 10) \$ 25,725,730

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
Year Ended December 31, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 6,581,095	\$ 1,490,193	\$ 1,477,333	\$ 9,548,621
Special assessments	-	375,942	-	375,942
Intergovernmental	5,113,443	-	390,172	5,503,615
Licenses and permits	419,415	-	-	419,415
Fines and forfeits	162,036	-	-	162,036
Public charges for services	434,072	-	227,925	661,997
Intergovernmental charges for services	1,175,188	-	60	1,175,248
Miscellaneous	474,179	155,016	890,806	1,520,001
<b>Total Revenues</b>	<b>14,359,428</b>	<b>2,021,151</b>	<b>2,986,296</b>	<b>19,366,875</b>
<b>Expenditures</b>				
Current				
General government	1,603,112	-	-	1,603,112
Public safety	6,527,764	-	68,344	6,596,108
Public works	2,744,327	-	1,469,000	4,213,327
Health and human services	700,545	-	59,412	759,957
Culture and recreation	2,901,131	-	410,250	3,311,381
Conservation and development	283,664	-	102,589	386,253
Debt service				
Principal	-	3,075,616	-	3,075,616
Interest and fiscal charges	-	1,782,489	81,525	1,864,014
Capital outlay	262,591	-	2,969,037	3,231,628
<b>Total Expenditures</b>	<b>15,023,134</b>	<b>4,858,105</b>	<b>5,160,157</b>	<b>25,041,396</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(663,706)	(2,836,954)	(2,173,861)	(5,674,521)
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	2,765,000	4,200,000	6,965,000
Principal paid to current noteholder	-	(2,900,000)	-	(2,900,000)
Transfers in	1,252,750	2,173,086	59,761	3,485,597
Transfers out	-	-	(2,573,040)	(2,573,040)
<b>Total Other Financing Sources (Uses)</b>	<b>1,252,750</b>	<b>2,038,086</b>	<b>1,686,721</b>	<b>4,977,557</b>
<b>Net Change in Fund Balances</b>	<b>589,044</b>	<b>(798,868)</b>	<b>(487,140)</b>	<b>(696,964)</b>
<b>Fund Balances - January 1</b>	<b>3,667,298</b>	<b>4,583,881</b>	<b>3,803,802</b>	<b>12,054,981</b>
<b>Fund Balances - December 31</b>	<b>\$ 4,256,342</b>	<b>\$ 3,785,013</b>	<b>\$ 3,316,662</b>	<b>\$ 11,358,017</b>

(Continued)

**CITY OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Year Ended December 31, 2006

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page	\$ (696,964)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay reported in governmental fund statements	\$ 1,969,152
Depreciation expense reported in the statement of activities	<u>(1,198,678)</u>
Amount by which capital outlays are greater than depreciation in current period	770,474
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities, only the gain (or loss) on the disposal is reported.	(17,204)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:	(23,740)
Some capital assets acquired and other development expenditures incurred during the year were financed with debt. Debt issued is reported in the governmental funds as an other financing source. In the statement of net assets, however, debt constitutes a long-term liability. The amount of debt proceeds reported in the governmental fund statements is:	(6,965,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term obligation payments in the current year is:	5,975,616
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	(35,535)
Governmental funds report the effect of issuance costs, premiums, and discounts when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amortization in excess of issuance costs paid is:	(15,169)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(101,139)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(360,757)</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)	<u>\$ (1,469,418)</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,578,127	\$ 6,578,127	\$ 6,581,095	\$ 2,968
Intergovernmental	5,092,963	5,092,963	5,113,443	20,480
Licenses and permits	830,125	830,125	419,415	(410,710)
Fines and forfeits	170,000	170,000	162,036	(7,964)
Public charges for services	365,240	365,240	434,072	68,832
Intergovernmental charges for services	1,088,397	1,088,397	1,175,188	86,791
Miscellaneous	235,100	235,100	474,179	239,079
Total Revenues	<u>14,359,952</u>	<u>14,359,952</u>	<u>14,359,428</u>	<u>(524)</u>
Expenditures				
Current				
General government	1,745,890	1,745,890	1,603,112	142,778
Public safety	7,234,165	7,234,165	6,527,764	706,401
Public works and sanitation	3,041,607	3,041,607	2,744,327	297,280
Health and human services	745,534	745,534	700,545	44,989
Culture and recreation	2,990,367	2,990,367	2,901,131	89,236
Conservation and development	334,642	334,642	283,664	50,978
Capital outlay	451,796	451,796	262,591	189,205
Total Expenditures	<u>16,544,001</u>	<u>16,544,001</u>	<u>15,023,134</u>	<u>1,520,867</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,184,049)</u>	<u>(2,184,049)</u>	<u>(663,706)</u>	<u>1,520,343</u>
Other Financing Sources				
Transfers in	<u>1,237,226</u>	<u>1,237,226</u>	<u>1,252,750</u>	<u>15,524</u>
Net Change in Fund Balance	<u>(946,823)</u>	<u>(946,823)</u>	<u>589,044</u>	<u>1,535,867</u>
Fund Balance - January 1	<u>3,667,298</u>	<u>3,667,298</u>	<u>3,667,298</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,720,475</u>	<u>\$ 2,720,475</u>	<u>\$ 4,256,342</u>	<u>\$ 1,535,867</u>

The notes to the basic financial statements are an integral part of this statement.



**CITY OF MENASHA, WISCONSIN**

Statement of Net Assets

Proprietary Funds

December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 427,189	\$ 161,442	\$ 588,631	\$ 261,942
Receivables				
Accounts	3,760,027	-	3,760,027	46,502
Inventories and prepaid expenses	962,696	-	962,696	-
Due from other funds	-	2,823	2,823	530,318
Restricted assets				
Cash and investments	3,985,555	20,000	4,005,555	-
Other assets	5,527,605	-	5,527,605	1,031,220
Interest receivable	85,705	-	85,705	-
Deferred charges	1,517,813	-	1,517,813	-
Capital assets, nondepreciable				
Land	872,515	-	872,515	44,216
Other assets	490,937	-	490,937	-
Construction in progress	7,841,716	-	7,841,716	132,484
Capital assets, depreciable				
Buildings	16,018,669	-	16,018,669	797,451
Improvements other than buildings	35,971,333	5,054,137	41,025,470	-
Machinery and equipment	34,292,289	-	34,292,289	4,953,868
Less: Accumulated depreciation	(23,204,737)	(591,231)	(23,795,968)	(3,759,374)
<b>TOTAL ASSETS</b>	<b>88,549,312</b>	<b>4,647,171</b>	<b>93,196,483</b>	<b>4,038,627</b>
<b>LIABILITIES</b>				
Accounts payable	4,299,288	9,661	4,308,949	101,209
Accrued and other current liabilities	1,088,231	-	1,088,231	-
Accrued interest payable	82,256	3,640	85,896	-
Due to other funds	-	-	-	766,157
Unearned revenue	2,722,585	-	2,722,585	-
Advance from other funds	1,090,156	-	1,090,156	-
Long-term obligations				
Due within one year	13,070,870	41,752	13,112,622	111,420
Due in more than one year	41,546,710	881,716	42,428,426	-
<b>TOTAL LIABILITIES</b>	<b>63,900,096</b>	<b>936,769</b>	<b>64,836,865</b>	<b>978,786</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	17,665,142	3,539,438	21,204,580	2,168,645
Restricted for				
Debt service	3,182,581	-	3,182,581	-
Plant replacement	1,000,000	-	1,000,000	-
Unrestricted	2,801,493	170,964	2,972,457	891,196
<b>TOTAL NET ASSETS</b>	<b>\$ 24,649,216</b>	<b>\$ 3,710,402</b>	<b>\$ 28,359,618</b>	<b>\$ 3,059,841</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Totals	
Operating Revenues				
Charges for services	\$ 40,674,023	\$ 1,531,599	\$ 42,205,622	\$ 1,156,002
Other	216,278	-	216,278	-
Total Operating Revenues	<u>40,890,301</u>	<u>1,531,599</u>	<u>42,421,900</u>	<u>1,156,002</u>
Operating Expenses				
Operation and maintenance	38,444,455	1,653,366	40,097,821	1,075,860
Depreciation and amortization	2,066,373	60,881	2,127,254	306,140
Taxes	259,960	-	259,960	-
Total Operating Expenses	<u>40,770,788</u>	<u>1,714,247</u>	<u>42,485,035</u>	<u>1,382,000</u>
Operating Income (Loss)	<u>119,513</u>	<u>(182,648)</u>	<u>(63,135)</u>	<u>(225,998)</u>
Nonoperating Revenues (Expenses)				
Investment income	738,279	15,660	753,939	128,700
Merchandising and jobbing	9,469	-	9,469	-
Interest and fiscal charges	(1,784,696)	(22,162)	(1,806,858)	(14,133)
Gain (loss) on disposal of capital assets	-	-	-	10,292
Miscellaneous	(175,661)	-	(175,661)	-
Total Nonoperating Revenues (Expenses)	<u>(1,212,609)</u>	<u>(6,502)</u>	<u>(1,219,111)</u>	<u>124,859</u>
Income (Loss) Before Contributions and Transfers	<u>(1,093,096)</u>	<u>(189,150)</u>	<u>(1,282,246)</u>	<u>(101,139)</u>
Capital contributions	559,577	-	559,577	-
Transfers out	<u>(912,557)</u>	<u>-</u>	<u>(912,557)</u>	<u>-</u>
Change in Net Assets	<u>(1,446,076)</u>	<u>(189,150)</u>	<u>(1,635,226)</u>	<u>(101,139)</u>
Net Assets - January 1	<u>26,095,292</u>	<u>3,899,552</u>	<u>29,994,844</u>	<u>3,160,980</u>
Net Assets - December 31	<u>\$ 24,649,216</u>	<u>\$ 3,710,402</u>	<u>\$ 28,359,618</u>	<u>\$ 3,059,841</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2006**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Totals	
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 40,560,166	\$ 1,531,599	\$ 42,091,765	\$ 1,196,150
Cash paid to suppliers	(37,055,908)	(1,566,132)	(38,622,040)	(657,137)
Cash paid to employees	(3,163,405)	(147,765)	(3,311,170)	(362,884)
Net Cash Provided (Used) by Operating Activities	<u>340,853</u>	<u>(182,298)</u>	<u>158,555</u>	<u>176,129</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>				
Principal payments on noncapital debt	-	-	-	(102,060)
Interest payments on noncapital debt	-	-	-	(14,133)
Dividend from CVMIC	-	-	-	116,195
Transfers to general fund	(1,191,771)	-	(1,191,771)	-
Advances to (from) other funds	-	(59,910)	(59,910)	73,096
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(1,191,771)</u>	<u>(59,910)</u>	<u>(1,251,681)</u>	<u>73,098</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(24,467,233)	(19,876)	(24,487,109)	(249,226)
Debt proceeds	21,618,468	-	21,618,468	-
Principal payments on long-term debt	(8,093,092)	(40,787)	(8,133,879)	-
Interest payments on capital debt	(1,765,371)	(22,323)	(1,787,694)	-
Debt issuance costs paid	(404,250)	-	(404,250)	-
Asset disposal costs and salvage	67,918	-	67,918	-
Contributions from property owners	559,577	-	559,577	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,483,983)</u>	<u>(82,986)</u>	<u>(12,566,969)</u>	<u>(249,226)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received on investments	777,970	15,660	793,630	12,505
Cash paid to ATC LLC	(75,609)	-	(75,609)	-
Cash Provided by Investing Activities	<u>702,361</u>	<u>15,660</u>	<u>718,021</u>	<u>12,505</u>
<b>Change in Cash and Cash Equivalents</b>	<u>(12,632,540)</u>	<u>(309,534)</u>	<u>(12,942,074)</u>	<u>12,506</u>
<b>Cash and Cash Equivalents - January 1</b>	<u>17,045,284</u>	<u>490,976</u>	<u>17,536,260</u>	<u>249,436</u>
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 4,412,744</u>	<u>\$ 181,442</u>	<u>\$ 4,594,186</u>	<u>\$ 261,942</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 119,513	\$ (182,648)	\$ (63,135)	\$ (225,998)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,066,373	60,881	2,127,254	306,140
Merchandising and jobbing	9,469	-	9,469	-
Miscellaneous	(175,661)	-	(175,661)	-
Changes in assets and liabilities				
Accounts receivable	(311,727)	-	(311,727)	40,148
Notes receivable	500,000	-	500,000	-
Inventories and prepaid expenses	(362,006)	-	(362,006)	-
Deferred debits	284,518	-	284,518	-
Accounts payable	(1,333,909)	(60,531)	(1,394,440)	55,839
Accrued and other liabilities	173,791	-	173,791	-
Deferred credits	(629,508)	-	(629,508)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 340,853</u>	<u>\$ (182,298)</u>	<u>\$ 158,555</u>	<u>\$ 176,129</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Contributed capital assets	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of cash and cash equivalents</b>				
Cash and investments	\$ 427,189	\$ 161,442	\$ 588,631	\$ 261,942
Restricted and other cash and investments	3,985,555	20,000	4,005,555	-
Total Cash and Cash Equivalents	<u>\$ 4,412,744</u>	<u>\$ 181,442</u>	<u>\$ 4,594,186</u>	<u>\$ 261,942</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
Statement of Net Assets  
Agency Fund  
December 31, 2006

	<div style="border: 1px solid black; padding: 2px;">Agency Fund</div>
<b>ASSETS</b>	
Cash and investments	\$ 5,294,656
Taxes receivable	<u>9,221,007</u>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 14,515,663</u></b>
 <b>LIABILITIES</b>	
Due to other governments	 <b><u>\$ 14,515,663</u></b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Menasha, Wisconsin ("the City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

**1. Reporting Entity**

The City of Menasha is a municipal corporation governed by an elected eight member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

**2. Joint Venture**

The City of Menasha is a participant with six other area municipalities in a joint venture to operate a wastewater treatment facility. The Neenah-Menasha Sewerage Commission was created for that purpose. The Commission is governed by a seven-member board composed of appointed members from the various municipalities. The Commission is designed to be a self-supporting entity, deriving its revenues from sewage treatment user fees from the various municipalities and industries it serves. The Commission has not been created for profit, and no part of the net income or profit shall accrue to the benefit of any private individual or any organization created for profit. Complete financial statements for the Neenah-Menasha Sewerage Commission can be obtained from the Commission's office at 101 Garfield Avenue, Menasha, Wisconsin 54952.

**3. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal services funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City reports the following major governmental funds:

**GENERAL FUND**

This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**DEBT SERVICE FUND**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major enterprise fund:

**MENASHA UTILITIES FUND**

This fund is used to account for the operating activities of the Menasha Water, Steam and Electric operations.

**SEWAGE TREATMENT FUND**

This fund is used to account for the operating activities of the Menasha Sewage Treatment operations.

Additionally, the government reports the following fund types:

*Internal service funds* account for fleet maintenance and insurance services provided to other departments of the City on a cost reimbursement basis.

The City accounts for property taxes collected on behalf of other governments in an *agency fund*.

**4. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund (other than agency funds) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Certain private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following certain subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and electric functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

**5. Assets, Liabilities and Net Assets or Equity**

**a. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

**b. Accounts Receivable**

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

**c. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by a reservation of fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Buildings	30 - 40	25 - 50
Improvements other than buildings	-	25 - 100
Machinery and equipment	3 - 20	3 - 10
Infrastructure	10 - 100	-

g. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

The Menasha Utilities Enterprise Fund has recorded a liability for accrued employee vacation leave at December 31, 2006. Employees are not granted a specific number of sick days, rather they may use as many as needed in each particular instance. Employees are not allowed to accumulate sick leave. Therefore, no liability for accumulated sick leave is recorded at December 31, 2006.



**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j. Fund Equity

**FUND FINANCIAL STATEMENTS**

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**GOVERNMENT-WIDE STATEMENTS**

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

k. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During October, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
- d. The legal level of budgetary control is by activity or department. Expenditures may not exceed budgeted appropriations provided in accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council. Management does not have authority to amend activity or department budget accounts.
- e. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2006.

2. Deficit Fund Balances

The following funds had deficit fund balances as of December 31, 2006:

Funds	Deficit Fund Balance
Special Revenue Funds	
Tax incremental district #3	\$ 19,307
Lead paint reduction	962
Capital Projects Funds	
Tax incremental district #4	65,617
Tax incremental district #6	17,205
Tax incremental district #7	173,255

The City anticipates funding the above deficit from future operations of the funds.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments."

The City is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

- a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than three years.
- b. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, or the University of Wisconsin Hospitals and Clinics Authority.
- d. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- e. The Local Government Pooled Investment Fund.
- f. Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- g. Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

In addition to the foregoing, the City may have investments in shares of common stock and mutual funds held for specific endowment funds. The carrying amount of the City's cash and investments, including the separate accounts noted above, totaled \$23,171,848 on December 31, 2006 as summarized below:

Petty cash funds	\$ 6,920
Deposits with financial institutions	21,011,228
Investments	2,153,700
	<u>\$ 23,171,848</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 13,871,637
Restricted cash and investments	4,005,555
Fiduciary fund	
Agency fund	5,294,656
	<u>\$ 23,171,848</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the specific risks and the City's policy related to the risk.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2006, \$19,553,516 of the City's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Federal agency securities	\$ 1,121,825	\$ -	\$ 1,121,825	\$ -	\$ -
Common stock	1,783	-	-	-	1,783
Wisconsin local government investment pool	1,030,092	-	-	-	1,030,092
Totals	<u>\$ 2,153,700</u>	<u>\$ -</u>	<u>\$ 1,121,825</u>	<u>\$ -</u>	<u>\$ 1,031,875</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal agency securities	\$ 1,121,825	\$ -	\$ -	\$ 1,121,825	\$ -
Wisconsin local government investment pool	1,030,092	1,030,092	-	-	-
<b>Totals</b>	<b>\$ 2,151,917</b>	<b>\$ 1,030,092</b>	<b>\$ -</b>	<b>\$ 1,121,825</b>	<b>\$ -</b>

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$1,030,092 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2006, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Investments in the Wisconsin Local Government Investment Pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance, and income on the investment during the calendar quarter a loss occurs.

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in four equal installments on or before January 31, March 31, May 31 and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Menasha School District, Appleton Area School District, Winnebago and Calumet Counties, Fox Valley Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the property tax agency fund.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

3. Restricted and Other Assets

Restricted assets on December 31, 2006 totaled \$10,792,425 as detailed below:

Governmental Activities	
Capitalization deposit with CVMIC	\$ 1,031,220
Beneficial interest in library endowment funds held by the Community Foundation	142,340
Total Governmental Activities	<u>1,173,560</u>
Business-type Activities	
Menasha Utilities	
Cash and investments	3,982,707
Other cash and investments	2,848
Investment in ATC LLC	2,155,830
Generation investment in steam utility	3,371,775
Interest accrued	85,705
Total Menasha Utilities	<u>9,598,865</u>
Sewage System	
Clean water fund equipment replacement	<u>20,000</u>
Total Restricted and Other Assets	<u>\$ 10,792,425</u>

Restricted cash and investments of Menasha Utilities are held for the following purposes:

Debt reserve fund	\$ 603,185
Bond redemption fund	650,182
Depreciation fund	1,000,000
Transmission reserve fund	349
Utility reserve fund	78,991
Steam construction fund	1,650,000
Total Cash and Investments	<u>\$ 3,982,707</u>

Restricted assets of the Electric and Water Utilities enterprise fund consist of a debt reserve fund, a bond redemption fund, and a depreciation fund required by the City revenue bond ordinance. The debt reserve fund requires a balance of the lesser of \$840,000 or the highest outstanding principal and interest requirements on all bond issues. The depreciation fund is required to have \$1,000,000 set aside for additions to and betterments of the system.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Capital Assets

Capital asset activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,750,428	\$ 197,214	\$ -	\$ 8,947,642
Construction in progress	128,265	4,219	-	132,484
Total capital assets, not being depreciated	8,878,693	201,433	-	9,080,126
Capital assets, being depreciated:				
Buildings and improvements	10,407,485	-	-	10,407,485
Machinery and equipment	6,427,771	419,124	167,919	6,678,976
Infrastructure	33,120,263	1,630,699	-	34,750,962
Subtotals	49,955,519	2,049,823	167,919	51,837,423
Less accumulated depreciation for:				
Buildings and improvements	4,086,746	228,045	-	4,314,791
Machinery and equipment	3,937,183	426,966	128,129	4,236,020
Infrastructure	9,543,980	849,807	-	10,393,787
Subtotals	17,567,909	1,504,818	128,129	18,944,598
Total capital assets, being depreciated, net	32,387,610	545,005	39,790	32,892,825
Governmental activities capital assets, net	<u>\$ 41,266,303</u>	<u>\$ 746,438</u>	<u>\$ 39,790</u>	<u>41,972,951</u>
Less: related long-term debt outstanding related to capital assets				<u>25,642,963</u>
Invested in capital assets, net of related debt				<u><u>\$ 16,329,988</u></u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 855,385	\$ 19,346	\$ 2,216	\$ 872,515
Other assets	638,405	-	147,468	490,937
Construction in progress	25,778,013	7,841,716	25,778,013	7,841,716
Total capital assets, not being depreciated	27,271,803	7,861,062	25,927,697	9,205,168
Capital assets, being depreciated:				
Buildings and improvements	5,064,842	10,953,827	-	16,018,669
Improvements other than buildings	27,774,179	13,534,467	283,176	41,025,470
Machinery and equipment	15,172,335	19,240,649	120,695	34,292,289
Subtotals	48,011,356	43,728,943	403,871	91,336,428
Less accumulated depreciation for:				
Steam utility	6,655,440	750,713	-	7,406,153
Electric distribution utility	9,243,722	1,233,118	420,839	10,056,001
Energy services utility	46,243	8,837	-	55,080
Telecommunications utility	153,883	33,804	-	187,687
Water utility	5,174,696	383,914	58,794	5,499,816
Sewage treatment utility	530,350	60,881	-	591,231
Subtotals	21,804,334	2,471,267	479,633	23,795,968
Total capital assets, being depreciated, net	26,207,022	41,257,676	(75,762)	67,540,460
Business-type activities capital assets, net	<u>\$ 53,478,825</u>	<u>\$ 49,118,738</u>	<u>\$ 25,851,935</u>	76,745,628
Less: related long-term debt outstanding related to capital assets				<u>55,541,048</u>
Invested in capital assets, net of related debt				<u>\$ 21,204,580</u>



**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation expense was charged to functions of the City as follows:

<b>Governmental activities</b>	
General government	\$ 46,780
Public safety	103,669
Public works	1,161,613
Health and human services	11,932
Culture and recreation	177,860
Conservation and development	2,964
Total depreciation expense - governmental activities	<u>\$ 1,504,818</u>
<b>Business-type activities</b>	
Steam utility	\$ 851,262
Electric distribution utility	775,490
Energy services utility	8,838
Telecommunications utility	33,722
Water utility	330,819
Sewage treatment utility	60,881
Total depreciation expense - business-type activities	<u>\$ 2,061,012</u>

**5. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2006 are detailed below:

	Interfund Receivables	Interfund Payables
General fund	\$ 2,094,591	\$ 5,502,535
Debt service fund	3,424,838	-
Sewage treatment fund	2,823	-
Non-major governmental funds	1,501,717	1,285,595
Internal service funds	530,318	766,157
Totals	<u>\$ 7,554,287</u>	<u>\$ 7,554,287</u>

The city uses interfund receivables and payables to balance each fund for receipts and disbursements recorded by the general fund on behalf of each fund. The city's operating cash accounts are in the general fund and all transactions effecting each fund (except the Utility Fund which is separate from the City) is entered through the general fund cash accounts resulting in an interfund receivable or payable depending on the transaction type.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Year Ended December 31	Principal	Interest	Total
2007	\$ 53,092	\$ 38,031	\$ 91,123
2008	70,789	36,018	106,807
2009	70,789	33,717	104,506
2010	88,487	31,018	119,505
2011	106,184	27,611	133,795
2012-2013	700,815	32,259	733,074
	<u>\$ 1,090,156</u>	<u>\$ 198,654</u>	<u>\$ 1,288,810</u>

Interfund transfers for the year ended December 31, 2006 were as follows:

	Transfer to:			Total
	General Fund	Debt Service Fund	Non-major Gov. Funds	
Transfers from:				
Non-major Government Funds	\$ 340,193	\$ 2,173,086	\$ 59,761	\$ 2,573,040
Enterprise Fund				
Menasha Utilities	912,557	-	-	912,557
Totals	<u>\$ 1,252,750</u>	<u>\$ 2,173,086</u>	<u>\$ 59,761</u>	<u>\$ 3,485,597</u>

A transfer of \$912,557 was transferred from Menasha Utilities as a payment in lieu of taxes. The transfers of \$2,173,086 were made to transfer resources for debt service payments while a transfer of \$340,193 between tax incremental districts in accordance with the related project plans.

The Menasha Utilities portion of the City's unfunded pension obligation totaled \$1,090,156. The Menasha Utilities' portion of the liability was retired in 2003 using available financial resources of the City and a long-term advance to Menasha Utilities was recorded for this amount. This amount is reported in the Menasha Utilities Enterprise Fund as a long-term obligation due to municipality. Annual maturities of principal and interest for the portion assigned to Menasha Utilities are as follows:

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

6. Deferred Revenues

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned
Subsequent year tax levy receivable		
Major governmental funds		
General fund	\$ -	\$ 6,304,004
Debt service	-	1,939,379
Other governmental funds		
Special revenue funds		
Tax Incremental District No. 1	-	165,757
Tax Incremental District No. 2	-	61,298
Tax Incremental District No. 3	-	106,170
Recycling	-	409,016
Capital projects fund		
Tax Incremental District No. 4	-	182,781
Tax Incremental District No. 5	-	135,756
Tax Incremental District No. 6	-	265,264
Tax Incremental District No. 7	-	161,235
Tax Incremental District No. 8	-	23,003
Tax Incremental District No. 9	-	21,502
Postponed special assessments and developer receivables		
Major governmental funds		
Debt service	5,687,896	-
Loans receivable		
Other governmental funds		
Capital projects fund		
Tax Incremental District No. 5	1,242,716	-
Special revenue funds		
Housing rehab	80,334	-
Community development block grant	1,015,379	-
Grants receivable		
Other governmental funds		
Capital projects fund		
2002 capital projects	655	-
Tax Incremental District No. 4	25,432	-
Revenues collected in advance		
Major governmental funds		
General fund	-	63,278
Other governmental funds		
Special revenue funds		
Marina	-	12,835
Heckrodt nature center	-	1,031
	<u>\$ 8,052,412</u>	<u>\$ 9,852,309</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Postponed special assessments are generally collectible on annual installments from one to five years while certain others have been deferred up to ten years or until the property is sold or placed in service, whichever is earliest.

Developer receivables represent infrastructure and other costs incurred by the City based on agreements signed with the developer. The receivables are collectible as properties within the development are sold by the developer.

The loans receivable of \$80,334 and \$1,015,379 represents various loans to local homeowners and businesses that were originally financed from economic development grants received by the City from the Wisconsin Departments of Commerce and Development. Repayment of principal and interest on the loan is recorded as revenue in the economic development and housing rehabilitation loan program special revenue funds and is used to finance additional loans.

**7. Long-term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2006:

	Outstanding 1/1/06	Issued	Retired	Outstanding 12/31/06	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 4,773,480	\$ -	\$ 352,060	\$ 4,421,420	\$ 366,420
Notes	21,833,901	3,800,000	4,920,616	20,713,285	1,700,950
Total General Obligation Debt	26,607,381	3,800,000	5,272,676	25,134,705	2,067,370
Debt premium	74,265	88,212	15,729	146,748	-
Loss on advance refunding	(52,968)	-	(11,771)	(41,197)	-
Bond anticipation notes	6,125,000	-	730,000	5,395,000	325,000
Note anticipation notes	1,330,000	3,165,000	75,000	4,420,000	75,000
Compensated absences	1,442,131	23,740	-	1,465,871	-
Governmental activities Long-term obligations	<u>\$ 35,525,809</u>	<u>\$ 7,076,952</u>	<u>\$ 6,081,634</u>	<u>\$ 36,521,127</u>	<u>\$ 2,467,370</u>
<b>Business-type activities:</b>					
General obligation notes	\$ 11,000,000	\$ 1,340,000	\$ -	\$ 12,340,000	\$ 12,340,000
Revenue bonds	13,774,255	6,103,468	5,835,787	14,041,936	591,752
Revenue bond anticipation notes	14,905,000	14,175,000	2,245,000	26,835,000	-
Capital leases	1,496,309	977,132	149,329	2,324,112	180,870
Business-type activities Long-term obligations	<u>\$ 41,175,564</u>	<u>\$ 22,595,600</u>	<u>\$ 8,230,116</u>	<u>\$ 55,541,048</u>	<u>\$ 13,112,622</u>

Total interest paid during the year on long-term debt totaled \$2,742,011.

**General Obligation Debt**

The City has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities and capitalization deposit with CVMIC. General obligation debt has been issued for both governmental and proprietary fund activities. General obligation debt is reported in the proprietary funds if it is expected to be repaid from proprietary fund revenues.

General obligation debt service requirements are direct obligations and pledge the full faith and credit of the City. General obligation debt outstanding on December 31, 2006 totaled \$37,474,705 and was comprised of the following issues:

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Governmental Activities:

Bonds

\$1,031,200 issued 11/1/87; \$111,420 due in 2007; interest 8.7% (financed by internal service fund)	\$ 111,420
\$780,000 issued 7/15/97; \$200,000 due annually from 2007 to 2008 and \$180,000 due in 2009; interest 4.70% to 4.75%	580,000
\$1,305,000 issued 12/15/01; \$55,000 to \$150,000 due annually from 2007 through 2017; interest 4.5% to 4.875%	1,165,000
\$2,565,000 issued 6/15/05; \$385,000 to \$475,000 due annually from 2011 through 2016; interest 4.25% to 4.65%	<u>2,565,000</u>
Total Bonds	<u>4,421,420</u>

Notes

\$2,265,000 issued 6/15/00; \$125,000 to \$225,000 due annually through 2008; interest 5.375%	350,000
\$2,225,000 issued 9/1/01; \$225,000 to \$285,000 due annually through 2011; interest 3.65% to 4.15%	1,335,000
\$575,000 issued 12/15/01; \$85,000 to \$110,000 due annually through 2011; interest 5.6% to 6%	500,000
\$459,000 issued 3/18/02; \$337,597 due in 2007; interest 2.375%	337,597
\$4,800,000 issued 5/1/02; \$175,000 due annually through 2011; interest 3.9% to 4.25%	875,000
\$4,530,000 issued 3/1/03; \$150,000 to \$1,480,000 due annually through 2013; interest 3.25% to 3.7%	4,380,000
\$2,770,000 issued 7/1/03; \$350,000 to \$700,000 due annually through 2012; interest 2% to 2.9%	1,825,000
\$200,000 issued 9/1/03; \$200,000 due in 2012; interest 4%	200,000
\$450,000 issued 10/31/03; \$450,000 due in 2008; interest 2%	450,000
\$1,390,000 issued 12/1/03; \$115,000 to \$165,000 due annually beginning in 2012 through 2021; interest 3.9% to 4.6%	1,390,000
\$1,160,000 issued 12/15/03; \$60,000 to \$115,000 due annually through 2018; interest 2.75% to 4.3%	1,100,000
\$425,000 issued 6/8/04; \$18354 to \$343,610 due through 2009; interest 2%	380,688
\$1,300,000 issued 8/12/05; \$1,300,000 due in 2010; interest 3.25%	1,300,000
\$2,490,000 issued 6/15/05; \$2,490,000 due in 2014; interest 4.0%	2,490,000
\$2,345,000 issued 8/1/06; \$125,000 to \$1,685,000 due annually beginning in 2008 through 2014; interest 4.25% to 5.00%	2,345,000
\$1,455,000 issued 8/1/06; \$350,000 to \$380,000 due annually beginning in 2008 through 2011; interest 5.75% to 5.80%	<u>1,455,000</u>
Total Notes	<u>20,713,285</u>

Total Governmental Activities Outstanding General Obligation Debt	<u>25,134,705</u>
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Business-type Activities:

Notes

\$11,000,000 issued 11/30/05; \$11,000,000 due in 2007; interest 4.9%	11,000,000
\$1,340,000 issued 12/1/06; \$1,340,000 due in 2007, interest 3.98%	<u>1,340,000</u>
	<u>12,340,000</u>

Total General Obligation Debt	<u>\$ 37,474,705</u>
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**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$37,474,705 on December 31, 2006 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 2,067,370	\$ 1,012,176	\$12,340,000	\$ 592,265	\$14,407,370	\$ 1,604,441
2008	2,573,725	928,318	-	-	2,573,725	928,318
2009	2,343,610	852,872	-	-	2,343,610	852,872
2010	3,025,000	786,963	-	-	3,025,000	786,963
2011	2,065,000	626,819	-	-	2,065,000	626,819
2012-2016	11,950,000	1,480,493	-	-	11,950,000	1,480,493
2017-2021	1,110,000	125,988	-	-	1,110,000	125,988
	<u>\$25,134,705</u>	<u>\$ 5,813,629</u>	<u>\$12,340,000</u>	<u>\$ 592,265</u>	<u>\$37,474,705</u>	<u>\$ 6,405,894</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2006 was \$13,121,152 as follows:

Equalized valuation of the City	\$958,020,000
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	47,901,000
Total outstanding general obligation debt applicable to debt limitation	\$ 37,474,705
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>2,694,857</u>
Net outstanding general obligation debt applicable to debt limitation	34,779,848
Legal Margin for New Debt	<u>\$ 13,121,152</u>

Bond Anticipation Notes

The City has issued bond anticipation notes to finance construction costs associated with TID No. 5. Bond anticipation notes do not constitute a statutory indebtedness of the City. Accordingly, they are not considered general obligations of the City nor a reduction in the City's taxing authority.

Bond anticipation notes outstanding on December 31, 2006 totaled \$5,395,000 and were comprised of the following issues:

\$2,425,000 issued 12/14/04; \$2,020,000 due in 2009; interest 4.50%	\$ 2,020,000
\$3,700,000 issued 12/14/04; \$325,000 due 2007 through 2008 and \$2,725,000 due in 2009; interest 3.00% to 3.10%	3,375,000
Total Bond Anticipation Notes	<u>\$ 5,395,000</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the bond anticipation notes of \$5,395,000 on December 31, 2006 follow:

Year Ended December 31	Principal	Interest	Total
2007	\$ 325,000	\$ 194,875	\$ 519,875
2008	325,000	185,125	510,125
2009	4,745,000	175,375	4,920,375
	<u>\$ 5,395,000</u>	<u>\$ 555,375</u>	<u>\$ 5,950,375</u>

**Note Anticipation Notes**

The City has issued note anticipation notes to finance construction costs associated with TID No. 7. Note anticipation notes do not constitute a statutory indebtedness of the City. Accordingly, they are not considered general obligations of the City nor a reduction in the City's taxing authority.

Note anticipation notes outstanding on December 31, 2006 totaled \$4,420,000 and were comprised of the following issue:

\$1,330,000 issued 9/1/03; \$75,000 due in 2007, with the remaining	
\$1,180,000 due in 2008; interest 3.7% to 4.1%	\$ 1,255,000
\$1,440,000 issued 6/1/06; \$1,440,000 due in 2009; interest 4.50%	1,440,000
\$1,725,000 issued 6/1/06; \$1,725,000 due in 2009; interest 5.65%	1,725,000
	<u>\$ 4,420,000</u>

Annual principal and interest maturities of the note anticipation notes of \$4,420,000 on December 31, 2006 follow:

Year Ended December 31	Principal	Interest	Total
2007	\$ 75,000	\$ 221,077	\$ 296,077
2008	1,180,000	184,318	1,364,318
2009	3,165,000	135,937	3,300,937
	<u>\$ 4,420,000</u>	<u>\$ 541,332</u>	<u>\$ 4,961,332</u>

**Revenue Bonds**

Revenue bond debt service requirements are financed from operations of the City's enterprise fund. Revenue bonds outstanding on December 31, 2006 totaled \$14,041,936 and were composed of the following issues:

\$1,076,097 Clean Water Fund Loan originating on 11/24/04; \$964,255 was outstanding on 12/31/04; \$41,752 to \$62,122 due annually through 2024; principal payments will increase in subsequent years as the remaining loan balance is drawn; interest 2.365%	\$ 923,468
\$7,015,000 issued 12/28/05; \$160,000 to \$820,000 due annually 2007 through 2025; interest 3.75% to 4.2%	7,015,000
\$6,103,468 issued 12/06; \$275,948 to \$410,584 due annually 2007 through 2025; interest 2.365%	6,103,468
Total Revenue Bonds Payable	<u>\$ 14,041,936</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the above outstanding enterprise fund revenue bonds of \$14,041,936 on December 31, 2006 are shown below:

Year Ended December 31	Principal	Interest	Total
2007	\$ 591,752	\$ 431,040	\$ 1,022,792
2008	1,018,687	404,689	1,423,376
2009	1,056,224	370,250	1,426,474
2010	1,088,939	333,657	1,422,596
2011	1,131,837	294,765	1,426,602
2012-2016	3,334,346	1,067,595	4,401,941
2017-2021	3,076,760	639,815	3,716,575
2022-2025	2,743,391	166,210	2,909,601
	<u>\$ 14,041,936</u>	<u>\$ 3,708,021</u>	<u>\$ 17,749,957</u>

Revenue Bond Anticipation Notes

\$12,660,000 issued 2/1/05; \$12,660,000 due in 2009; interest 4.35%	\$ 12,660,000
\$11,500,000 issued 12/1/06; \$11,500,000 due in 2009; interest 5.70%	11,500,000
\$2,675,000 issued 12/1/06; \$2,675,000 due in 2011; interest 5.20%	<u>2,675,000</u>
Total Revenue Bond Anticipation Notes	<u>\$ 26,835,000</u>

Annual principal and interest maturities of the above outstanding enterprise fund revenue bond anticipation notes of \$26,835,000 on December 31, 2006 are as shown below:

Year Ended December 31	Principal	Interest	Total
2007	\$ -	\$ 1,146,660	\$ 1,146,660
2008	-	1,345,310	1,345,310
2009	24,160,000	1,345,310	25,505,310
2010	-	139,100	139,100
2011	2,675,000	139,100	2,814,100
	<u>\$ 26,835,000</u>	<u>\$ 4,115,480</u>	<u>\$ 30,950,480</u>

Capital Leases

The City is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. Presented below is a schedule of future minimum lease payments required under the capital leases, and the present value of the net minimum lease payments at December 31, 2006:

Year Ending	Amount
2007	\$ 366,275
2008	366,275
2009	366,275
2010	366,275
2011	349,992
2012-2016	<u>1,429,135</u>
Total Minimum Lease Payments	3,244,227
Less: Amount representing interest	<u>920,115</u>
Present Value of Future Minimum Lease Payments	<u>\$ 2,324,112</u>



**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE D - OTHER INFORMATION**

**1. Retirement Commitments**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (2.9 for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the System for the year ended December 31, 2006 was \$11,684,517; the employer's total payroll was \$10,580,983. The total required contribution for the year ended December 31, 2006 was \$1,325,225, which consisted of \$693,133, or 5.9% of covered payroll from the employer and \$632,092, or 5.4% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2006 was financed by the City. Total contributions for the years ending December 31, 2005 and 2004 were \$1,208,917 and \$1,111,853 respectively, equal to the required contributions for each year. The payroll covered by the System for the year ended December 31, 2006 of \$11,684,517 includes \$1,524,466 of covered wages for the City of Menasha's share of the Neenah/Menasha Fire Department. The fire department employees are not employed or paid by the City but, are part of the City's retirement plan.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**2. Wisconsin Public Power Incorporated Contract (WPPI)**

The City's electric utility purchases its electric requirements from the Wisconsin Public Power Incorporated (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The City is one of 36 members of WPPI located throughout the State of Wisconsin. On December 31, 1989, each of WPPI's members, including the City of Menasha, commenced purchasing electric service from WPPI under a new Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. The contract was amended during 2002 to extend the term of the contract through 2037.

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE D - OTHER INFORMATION (Continued)**

Under the Long-term Contract, the City and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality. The City has agreed to charge rates to the retail rate payers of its electric system sufficient to meet its obligation to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City's electric system payable from any operating and maintenance fund established by the City.

The Long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through Wisconsin Public Power, Inc. for distribution to its customers. Total purchases under this arrangement amounted to approximately \$29 million in 2006.

**3. Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City has chosen to retain a portion of the risks through self-insurance programs and has also purchased insurance to transfer other risks to outside parties. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City. Insurance settlements have not exceeded insurance coverage in any of the past three years nor has there been any significant reduction in insurance coverage compared to the prior year. A description of the City's risk management programs is presented below:

Property and Liability Insurance

During 1987, the City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC), a joint venture, to provide liability insurance services to its members. The City is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members required to pay the expected claims and loss adjustment expenses. CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides general liability, police and nurses professional liability, public official's liability and vehicle liability coverage for the City. The City's self-insured retention limit is \$25,000 for each occurrence with a maximum limit of \$100,000 annually. Premiums paid to CVMIC for insurance coverage are recorded in a self-insurance internal service fund. The self-insurance internal service fund charges various City departments and operations for their portion of insurance coverage for the year.

The claims liability of \$91,766 reported in the fund at December 31, 2006 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic purpose financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. On December 31, 2006, the property and liability insurance internal service fund has available \$955,130 for future unreported claims. Changes in the fund's claim liability amount for 2005 and 2006 follow:

	Liability January 1	Current Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	\$ 81,514	\$ 96,060	\$ 135,186	\$ 42,388
2006	42,388	74,373	24,995	91,766

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE D - OTHER INFORMATION (Continued)**

Dental Insurance

City employees, COBRA employees, retirees and employee dependents are eligible for dental benefits from a dental insurance internal service fund. Funding is provided by charges to City departments, employees and retirees. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees. The claims liability of \$9,443 reported in the fund at December 31, 2006, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. On December 31, 2006, the dental insurance internal service fund has available \$1,679 for future unreported claims. Changes in the fund's claims liability amount for 2005 and 2006 follow:

	Liability January 1	Current Claims and Changes in Estimates	Claim Payments	Liability December 31
2005	\$ 4,468	\$ 102,014	\$ 103,500	\$ 2,982
2006	2,982	106,833	100,372	9,443

4. Tax Incremental Districts

The City currently maintains separate special revenue and capital project funds to account for nine Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on general obligation debt issued by the City to finance such improvements. All eligible project expenditures for the Districts have been completed for the TID No. 1, TID No. 2 and TID No. 3 projects. Therefore, special revenue funds are utilized to account for tax increment and other revenues used to finance principal and interest payments on outstanding general obligation debt applicable to these Districts. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's TID No. 4, No. 5, No. 6, No. 7, No. 8, No. 9 and No. 10 were created in 1997, 1998, 1998, 2002, 2004, 2004 and 2006 respectively, and therefore are still eligible to incur project costs. Accordingly, TID No. 4, 5, 6, 7, 8, 9 and 10 are accounted for as capital projects funds.

Since creation of the above Districts, the City has provided various financing sources to each TID and has also recorded eligible TID project costs in other funds of the City. The foregoing amounts are not recorded as liabilities in the TID special revenue and capital projects funds but can be recovered by the City from future excess tax increment revenues. Detail of the amounts recoverable by the City as of December 31, 2006 from future excess tax increment revenues follows:

<b>Net Unreimbursed Project Costs</b>	
Tax Incremental District No. 1	\$ 1,148,441
Tax Incremental District No. 2	175,990
Tax Incremental District No. 3	801,030
Tax Incremental District No. 4	1,372,144
Tax Incremental District No. 5	4,441,015
Tax Incremental District No. 6	3,752,607
Tax Incremental District No. 7	1,988,254
Tax Incremental District No. 8	924,448
Tax Incremental District No. 9	3,668,643
Tax Incremental District No. 10	373,650
	<u>\$ 18,646,222</u>

**CITY OF MENASHA, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2006

**NOTE D - OTHER INFORMATION (Continued)**

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. The City has amended the project plan of District No. 3 to include transfers to Districts No. 1 and 2.

**5. Major Customer**

During 2006, the electric utility billed SCA Tissue \$13,569,536. This represents 40% of electric utility operating revenue. No other utility customer accounted for more than 20% of operating revenue.

**6. Property Tax Levy Limit**

Wisconsin Act 25, effective July 27, 2005, imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period. The Act limits the increase in the tax levy to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or two percent. The limit for the City for the 2007 budget was 2.134. The levy limit is applied to both operations and debt service. However, the Act allows the limit to be increased for debt service authorized prior to July 1, 2005 and in certain other situations.

**7. Contingencies**

- a. The U.S. Fish and Wildlife Service is in the process of completing a Natural Resource Damage Assessment (NRDA) to determine the level of sediment contamination in the lower Fox River and lower Green Bay and estimate the cleanup costs to be recovered from responsible parties. The City has not been identified as a potentially responsible party; however, it is possible the City may be made part of any litigation between governmental agencies overseeing the NRDA and identified responsible parties. The amount of damages, if any, that could be assessed against the City cannot be presently estimated.
- b. The City's valuation and taxing power secure a portion of the outstanding long-term debt of the Neenah-Menasha Sewerage Commission, a joint venture created by the City and six other municipalities. The City would be liable in the unlikely event that the Commission defaulted on the debt.
- c. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
- d. The Menasha Electric & Water Utility formed a steam utility in 2004 to supply steam to local paper mills. The construction and renovation of the former coal plant has resulted in an arbitration proceeding between PCI and the Menasha Electric & Water Utility. It is currently scheduled to be heard in June 2008. PCI claims unpaid invoices totaling approximately \$550,000. The Utility has made a counter-claim for negligent design and project management of \$7.8 million.
- e. From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

## **SUPPLEMENTAL INFORMATION**



# **NONMAJOR GOVERNMENTAL FUNDS**

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trust) that are legally restricted to expenditures for specific purposes. The City utilizes special revenue funds to record financial transactions pertaining to the following activities:

### **Housing Rehab**

To account for activity of loans made to local homeowners that were originally financed by an economic development grant received by the City from the Wisconsin Department of Development.

### **Community Development Block Grant**

To account for grant proceeds received by the City from the Wisconsin Department of Administration to be used to make loans to local homeowners.

### **Marina Operations**

To account for collections from the City marina used to finance related disbursements for personnel, supplies and improvements.

### **Tax Incremental Districts (TIDs)**

To account for tax increment revenues of TID No. 1, No. 2 and No. 3 for which the construction period for eligible projects has elapsed. All project expenditures were originally recorded in capital projects funds.

### **Park Development**

To account for grants received and other collections to be used for the development of City parks.

### **Law Enforcement Grant**

To account for grant proceeds received by the City.

### **Recycling**

To account for the property taxes levied and intergovernmental grants received to finance the City's recycling activities.

### **Post Employment Sick Leave Reserve**

To account for the accumulation of resources to be used to reimburse City employees for accumulated sick leave at date of retirement.

### **Lead Paint Reduction**

To account for grants received to be used for housing rehabilitation.

### **Library Endowment**

To account for funds held by the City library.

### **Hattie Minor Scholarship**

To account for funds held by the City for the purposes of providing scholarships from investment income.

### **Public Safety Donations**

To account for donations received by the City.

### **Heckrodt Nature Center**

To account for donations received by the City.

### **Senior Center Memorials**

To account for donations received by the City.

### **Senior Center Fund Raising**

To account for collections and disbursements relating to activities offered by the senior center.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **CAPITAL PROJECTS FUNDS**

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The City utilizes capital projects funds to record financial transactions pertaining to the following activities:

#### **Capital Projects**

To account for proceeds of general obligation debt used to finance capital projects.

#### **Capital Facility**

To account for the accumulation of resources to be used for building improvement projects of the City.

#### **Capital Improvements**

To account for the accumulation of resources to be used for capital improvement projects of the City.

#### **Tax Incremental Districts (TID's)**

To account for the activity of TID No. 4, No. 5, No. 6, No. 7, No. 8, No. 9 and No. 10, which are still eligible to incur construction costs.

#### **Roadways at River's Edge**

To account for the accumulation of resources to be used for capital improvements on roadways.



**CITY OF MENASHA, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

Special Revenue Funds									
	Housing Rehab	Community Development Block Grant	Marina Operations	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Park Development	Law Enforcement Grant	Recycling
ASSETS									
Cash and investments	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 522,831	\$ -	\$ -	\$ -
Receivables	-	-	-	114,272	42,258	73,193	-	-	258,223
Taxes	-	-	-	-	-	-	4,800	-	-
Accounts	-	-	-	-	-	-	-	-	-
Loans	80,334	1,015,379	-	-	-	-	-	-	-
Due from other funds	5,727	145,568	76,727	167,350	19,041	-	76,832	4,607	254,809
Due from other governments	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 86,061</b>	<b>\$ 1,165,947</b>	<b>\$ 76,727</b>	<b>\$ 281,622</b>	<b>\$ 61,299</b>	<b>\$ 596,024</b>	<b>\$ 81,632</b>	<b>\$ 4,607</b>	<b>\$ 513,032</b>

LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,538	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	480,623	-	-	-
Deferred revenues	80,334	1,015,379	12,835	165,757	61,298	106,170	-	-	409,016
<b>Total Liabilities</b>	<b>80,334</b>	<b>1,015,379</b>	<b>12,835</b>	<b>165,757</b>	<b>61,298</b>	<b>615,331</b>	<b>-</b>	<b>-</b>	<b>409,016</b>

Fund Balances									
Unreserved									
Designated for									
Subsequent year's expenditures									
Special revenue funds	5,727	150,568	63,892	115,865	1	-	81,632	4,607	104,016
Capital projects funds	-	-	-	-	-	-	-	-	-
Undesignated, reported in									
Special revenue funds	-	-	-	-	-	(19,307)	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>5,727</b>	<b>150,568</b>	<b>63,892</b>	<b>115,865</b>	<b>1</b>	<b>(19,307)</b>	<b>81,632</b>	<b>4,607</b>	<b>104,016</b>

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 86,061</b>	<b>\$ 1,165,947</b>	<b>\$ 76,727</b>	<b>\$ 281,622</b>	<b>\$ 61,299</b>	<b>\$ 596,024</b>	<b>\$ 81,632</b>	<b>\$ 4,607</b>	<b>\$ 513,032</b>
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**CITY OF MENASHA, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

Special Revenue Funds (Continued)									
	Post Employment Sick Leave Reserve	Lead Paint Reduction	Library Endowment	Hattie Minor Scholarship	Public Safety Donations	Heckrodt Nature Center	Senior Center Memorials	Senior Center Fund Raising	Total Special Revenue Funds
<b>ASSETS</b>									
Cash and investments	\$ 380,000	\$ -	\$ -	\$ 48,500	\$ -	\$ -	\$ -	\$ -	\$ 956,331
Receivables	-	-	-	-	-	-	-	-	487,946
Taxes	-	-	-	-	-	-	-	-	4,800
Accounts	-	-	-	-	-	-	-	-	1,095,713
Loans	-	-	-	701	3,032	10,881	3,165	2,746	771,186
Due from other funds	-	-	-	-	-	-	-	-	9,288
Due from other governments	-	9,288	-	-	-	-	-	-	142,340
Other assets	-	-	142,340	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 380,000</b>	<b>\$ 9,288</b>	<b>\$ 142,340</b>	<b>\$ 49,201</b>	<b>\$ 3,032</b>	<b>\$ 10,881</b>	<b>\$ 3,165</b>	<b>\$ 2,746</b>	<b>\$ 3,467,604</b>

**LIABILITIES AND FUND BALANCES**

Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 28,568
Due to other funds	45,858	10,250	-	-	-	-	-	-	536,731
Deferred revenues	-	-	-	-	-	1,031	-	-	1,851,820
<b>Total Liabilities</b>	<b>45,858</b>	<b>10,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,031</b>	<b>-</b>	<b>30</b>	<b>2,417,119</b>

**Fund Balances**

Unreserved									
Designated for									
Subsequent year's expenditures									
Special revenue funds	334,142	-	142,340	49,201	3,032	9,850	3,165	2,716	1,070,754
Capital projects funds	-	-	-	-	-	-	-	-	-
Undesignated, reported in									
Special revenue funds	-	(962)	-	-	-	-	-	-	(20,269)
Capital projects funds	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>334,142</b>	<b>(962)</b>	<b>142,340</b>	<b>49,201</b>	<b>3,032</b>	<b>9,850</b>	<b>3,165</b>	<b>2,716</b>	<b>1,050,485</b>

**TOTAL LIABILITIES AND  
FUND BALANCES**

	\$ 380,000	\$ 9,288	\$ 142,340	\$ 49,201	\$ 3,032	\$ 10,881	\$ 3,165	\$ 2,746	\$ 3,467,604
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**CITY OF MENASHA, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Capital Projects Funds								
	2002 Capital Projects	2003 Capital Projects	2004 Capital Projects	2005 Capital Projects	2006 Capital Projects	Capital Facility	Capital Improvements	Tax Incremental District #4	Tax Incremental District #5
ASSETS									
Cash and investments	\$ -	\$ 67,790	\$ 150,000	\$ -	\$ -	\$ 241,721	\$ -	\$ 95,091	\$ 471,064
Receivables	-	-	-	-	-	-	-	-	-
Taxes	655	-	-	-	-	-	-	126,008	93,589
Accounts	-	-	-	-	-	-	-	-	-
Loans	-	359	-	48,346	515,287	-	10,396	-	1,242,716
Due from other funds	-	-	-	-	-	-	-	-	18,415
Due from other governments	-	-	-	-	-	-	-	25,432	-
Other assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 655	\$ 68,149	\$ 150,000	\$ 48,346	\$ 515,287	\$ 241,721	\$ 10,396	\$ 246,531	\$ 1,825,784
LIABILITIES AND FUND BALANCES									
Liabilities	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
Accounts payable	-	-	20,316	-	-	80	-	103,935	-
Due to other funds	655	-	-	-	-	-	-	208,213	1,378,472
Deferred revenues	655	-	-	-	-	-	-	312,148	1,378,475
Total Liabilities	\$ -	\$ -	\$ 25,316	\$ -	\$ -	\$ 80	\$ -	\$ -	\$ -
Fund Balances									
Unreserved	-	-	-	-	-	-	-	-	-
Designated for	-	-	-	-	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-
Special revenue funds	-	68,149	124,684	48,346	515,287	241,641	10,396	-	447,309
Capital projects funds	-	-	-	-	-	-	-	-	-
Undesignated, reported in	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	(65,617)	-
Capital projects funds	-	-	-	-	-	-	-	(65,617)	-
Total Fund Balances	\$ -	\$ 68,149	\$ 124,684	\$ 48,346	\$ 515,287	\$ 241,641	\$ 10,396	\$ (65,617)	\$ 447,309
TOTAL LIABILITIES AND FUND BALANCES	\$ 655	\$ 68,149	\$ 150,000	\$ 48,346	\$ 515,287	\$ 241,721	\$ 10,396	\$ 246,531	\$ 1,825,784

(Continued)

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**CITY OF MENASHA, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Capital Projects Funds (Continued)						Total Governmental Funds
	Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Tax Incremental District #10	Roadways at River's Edge	Total Capital Project Funds
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ 44,689	\$ 1,455,592	\$ -	\$ -	\$ 2,525,947
Receivables							
Taxes	182,872	111,155	15,858	7,070	-	-	536,552
Accounts	-	-	-	-	-	-	655
Loans	-	60,000	-	-	-	-	1,302,716
Due from other funds	65,187	-	3,008	-	1,350	68,183	730,531
Due from other governments	-	-	-	-	-	-	25,432
Other assets	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 248,059</b>	<b>\$ 171,155</b>	<b>\$ 63,555</b>	<b>\$ 1,462,662</b>	<b>\$ 1,350</b>	<b>\$ 68,183</b>	<b>\$ 5,121,833</b>

**LIABILITIES AND FUND BALANCES**

Liabilities	\$ -	\$ -	\$ -	\$ 43,445	\$ -	\$ -	\$ 48,448	\$ 77,016
Accounts payable	-	183,175	-	441,358	-	-	748,864	1,285,595
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenues	265,284	161,235	23,003	21,502	-	-	2,058,344	3,910,164
Total Liabilities	265,284	344,410	23,003	506,305	-	-	2,855,656	5,272,775
<b>Fund Balances</b>								
Unreserved								
Designated for								
Subsequent year's expenditures	-	-	-	-	-	-	-	1,070,754
Special revenue funds	-	-	40,552	956,357	1,350	68,183	2,522,254	2,522,254
Capital projects funds	-	-	-	-	-	-	-	-
Undesignated, reported in								
Special revenue funds	(17,205)	(173,255)	-	-	-	-	(256,077)	(20,269)
Capital projects funds	(17,205)	(173,255)	-	-	-	-	(256,077)	(256,077)
Total Fund Balances	(17,205)	(173,255)	40,552	956,357	1,350	68,183	2,266,177	3,316,662
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 248,059</b>	<b>\$ 171,155</b>	<b>\$ 63,555</b>	<b>\$ 1,462,662</b>	<b>\$ 1,350</b>	<b>\$ 68,183</b>	<b>\$ 5,121,833</b>	<b>\$ 8,589,437</b>

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	Special Revenue Funds								
	Housing Rehab	Community Development Block Grant	Marina Operations	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Park Development	Law Enforcement Grant	Recycling
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 168,839	\$ 59,814	\$ 108,675	\$ -	\$ -	\$ 432,915
Intergovernmental	-	-	-	2,739	384	162,690	-	41,466	97,068
Public charges for services	-	-	211,553	-	-	-	3,000	-	8,256
Intergovernmental charges for services	-	-	-	-	-	-	-	-	60
Miscellaneous	11,634	44,978	-	-	-	22,654	4	2,204	19,990
Total Revenues	11,634	44,978	211,553	171,578	60,198	294,019	3,004	43,670	558,289
Expenditures									
Current	-	-	-	-	-	-	-	41,276	-
Public safety	-	-	-	-	-	905,308	-	-	553,755
Public works	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	331,496	-	-	-	-	-	-
Conservation and development	55,000	46,586	-	-	-	1,053	-	-	-
Debt service	-	-	-	-	-	18,365	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	55,000	46,586	331,496	-	-	924,726	-	41,276	553,755
Excess of Revenues Over (Under)	(43,366)	(1,608)	(119,943)	171,578	60,198	(630,707)	3,004	2,394	4,534
Expenditures									
Other Financing Sources (Uses)	-	-	-	-	-	1,005,000	-	-	-
Long-term debt issued	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	(171,580)	(60,200)	(393,600)	-	-	-
Transfers out	-	-	-	(171,580)	(60,200)	611,400	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(171,580)	(60,200)	611,400	-	-	-
Net Change in Fund Balances	(43,366)	(1,608)	(119,943)	(2)	(2)	(19,307)	3,004	2,394	4,534
Fund Balances (Deficits) - January 1	49,093	152,176	183,835	115,867	3	-	78,628	2,213	99,482
Fund Balances (Deficits) - December 31	\$ 5,727	\$ 150,568	\$ 63,892	\$ 115,865	\$ 1	\$ (19,307)	\$ 81,632	\$ 4,607	\$ 104,016

(Continued)

**CITY OF MENASHA, WISCONSIN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2006**

	Special Revenue Funds (Continued)									
	Post Employment Sick Leave Reserve	Lead Paint Reduction	Library Endowment	Hattie Minor Scholarship	Public Safety Donations	Hekrodt Nature Center	Senior Center Memorials	Senior Center Fund Raising	Total Special Revenue Funds	
<b>Revenues</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,243	
Intergovernmental	-	68,712	-	-	-	-	-	-	373,059	
Public charges for services	-	-	-	-	-	-	-	5,116	227,925	
Intergovernmental charges for services	-	-	-	-	-	-	-	-	60	
Miscellaneous	19,543	4,195	16,657	2,213	3,150	4,120	290	3	151,635	
<b>Total Revenues</b>	<b>19,543</b>	<b>72,907</b>	<b>16,657</b>	<b>2,213</b>	<b>3,150</b>	<b>4,120</b>	<b>290</b>	<b>5,119</b>	<b>1,522,922</b>	
<b>Expenditures</b>										
Current										
Public safety	23,840	-	-	-	3,228	-	-	-	68,344	
Public works	9,937	-	-	-	-	-	-	-	1,469,000	
Health and human services	-	54,220	-	-	-	-	12	5,180	59,412	
Culture and recreation	65,308	-	8,585	2,501	-	2,360	-	-	410,250	
Conservation and development	-	-	-	-	-	-	-	(50)	102,589	
Debt service	-	-	-	-	-	-	-	-	18,365	
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>99,085</b>	<b>54,220</b>	<b>8,585</b>	<b>2,501</b>	<b>3,228</b>	<b>2,360</b>	<b>12</b>	<b>5,130</b>	<b>2,127,960</b>	
<b>Excess of Revenues Over (Under)</b>	<b>(79,542)</b>	<b>18,687</b>	<b>8,072</b>	<b>(288)</b>	<b>(78)</b>	<b>1,760</b>	<b>278</b>	<b>(11)</b>	<b>(605,038)</b>	
<b>Expenditures</b>										
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	1,005,000	
Long-term debt issued	-	-	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	-	-	-	(625,380)	
Transfers out	-	-	-	-	-	-	-	-	379,620	
<b>Total Other Financing Sources (Uses)</b>	<b>(79,542)</b>	<b>18,687</b>	<b>8,072</b>	<b>(288)</b>	<b>(78)</b>	<b>1,760</b>	<b>278</b>	<b>(11)</b>	<b>(225,418)</b>	
<b>Net Change in Fund Balances</b>	<b>413,684</b>	<b>(19,649)</b>	<b>134,268</b>	<b>49,489</b>	<b>3,110</b>	<b>8,090</b>	<b>2,887</b>	<b>2,727</b>	<b>1,275,903</b>	
<b>Fund Balances (Deficits) - January 1</b>	<b>\$ 334,142</b>	<b>\$ (962)</b>	<b>\$ 142,340</b>	<b>\$ 49,201</b>	<b>\$ 3,032</b>	<b>\$ 9,850</b>	<b>\$ 3,165</b>	<b>\$ 2,716</b>	<b>\$ 1,050,485</b>	
<b>Fund Balances (Deficits) - December 31</b>										

(Continued)

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	Capital Projects Funds									
	2001 Capital Projects	2002 Capital Projects	2003 Capital Projects	2004 Capital Projects	2005 Capital Projects	2006 Capital Projects	Capital Facility	Capital Improvements	Tax Incremental District #4	Tax Incremental District #5
Revenues										
Taxes	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,860	\$ 184,391	\$ 154,948
Intergovernmental	-	-	-	-	-	-	-	-	8,828	4,071
Public charges for services	-	-	-	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	3,197	15,207	73,181	16,847	11,460	-	56,688	442,206
Total Revenues	-	-	3,197	15,207	73,181	16,847	11,460	7,860	249,907	601,225
Expenditures										
Current										
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	11,560	-	-	-	-
Interest and fiscal charges	-	(3,276)	-	123,949	10,430	-	-	7,468	32,428	105,352
Capital outlay	-	(3,276)	-	123,949	10,430	11,560	-	7,468	32,428	105,352
Total Expenditures	-	-	-	123,949	10,430	11,560	-	-	-	-
Excess of Revenues Over (Under)	-	3,276	3,197	(108,742)	62,751	5,287	11,460	392	217,479	495,873
Expenditures										
Other Financing Sources (Uses)	-	-	-	-	-	510,000	-	-	-	-
Long-term debt issued	-	59,761	-	-	-	-	-	-	-	-
Transfers in	(37,309)	-	-	-	-	-	-	-	(231,285)	(1,054,867)
Transfers out	(37,309)	59,761	-	-	-	-	-	-	(231,285)	(1,054,867)
Total Other Financing Sources (Uses)	(37,309)	63,037	3,197	(108,742)	62,751	515,287	11,460	392	(13,806)	(558,994)
Net Change in Fund Balances	37,309	(63,037)	64,952	233,426	(14,405)	-	230,181	10,004	(51,811)	1,006,303
Fund Balances (Deficits) - January 1	\$ -	\$ -	\$ 68,149	\$ 124,684	\$ 48,346	\$ 515,287	\$ 241,641	\$ 10,396	\$ (65,617)	\$ 447,309
Fund Balances (Deficits) - December 31										

(Continued)

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	Capital Projects Funds (Continued)						Total Governmental Funds
	Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Tax Incremental District #10	Roadways at River's Edge	
Revenues							
Taxes	\$ 264,069	\$ 95,822	\$ -	\$ -	\$ -	\$ -	\$ 1,477,333
Intergovernmental	4,214	-	-	-	-	-	390,172
Public charges for services	-	-	-	-	-	-	227,925
Intergovernmental charges for services	-	-	-	-	-	-	60
Miscellaneous	4	4,983	3,755	111,643	-	-	890,806
Total Revenues	268,287	100,805	3,755	111,643	-	-	2,986,296
Expenditures							
Current							
Public safety	-	-	-	-	-	-	68,344
Public works	-	-	-	-	-	-	1,469,000
Health and human services	-	-	-	-	-	-	59,412
Culture and recreation	-	-	-	-	-	-	410,250
Conservation and development	-	-	-	-	-	-	102,589
Debt service	-	-	-	44,164	7,436	-	81,525
Interest and fiscal charges	64,505	69,231	41,917	2,150,819	366,214	-	2,969,037
Capital outlay	64,505	69,231	41,917	2,194,983	373,650	-	5,160,157
Total Expenditures	203,782	31,574	(38,162)	(2,083,340)	(373,650)	-	(2,173,861)
Excess of Revenues Over (Under)							
Expenditures	-	-	-	2,310,000	375,000	-	4,200,000
Other Financing Sources (Uses)	-	-	-	-	-	-	59,761
Long-term debt issued	(356,164)	(145,915)	(40,415)	(81,705)	-	-	(2,573,040)
Transfers in	(356,164)	(145,915)	(40,415)	2,228,295	375,000	-	1,686,721
Transfers out	(152,382)	(114,341)	(78,577)	144,955	1,350	-	(487,140)
Total Other Financing Sources (Uses)	135,177	(58,914)	119,129	811,402	-	68,183	3,803,802
Net Change in Fund Balances	\$ (17,205)	\$ (173,255)	\$ 40,552	\$ 956,357	\$ 1,350	\$ 68,183	\$ 3,316,662
Fund Balances (Deficits) - January 1							
Fund Balances (Deficits) - December 31							



## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units, on a cost reimbursement basis. The City utilizes internal service funds to record financial transactions pertaining to the following activities:

### **City Garage**

To account for services provided to other City departments by the Department of Public Works.

### **Property and Liability Insurance**

To account for funds held by the City, generated by charges to other City departments, to finance property and liability claims levied against the City.

### **Dental Insurance**

To account for funds held by the City generated by charges to other City departments, employees, and retirees, to finance dental claims of City employees, retirees, and their dependents.

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2006

	City Garage	Property and Liability Insurance	Dental Insurance	Totals
<b>ASSETS</b>				
Cash and investments	\$ 261,942	\$ -	\$ -	\$ 261,942
Accounts receivable	-	46,502	-	46,502
Due from other funds	438,602	80,594	11,122	530,318
Other assets	-	1,031,220	-	1,031,220
Capital assets, nondepreciable				
Land	44,216	-	-	44,216
Construction in progress	132,484	-	-	132,484
Capital assets, depreciable				
Buildings	797,451	-	-	797,451
Machinery and equipment	4,953,868	-	-	4,953,868
Less: Accumulated depreciation	(3,759,374)	-	-	(3,759,374)
<b>TOTAL ASSETS</b>	<b>2,869,189</b>	<b>1,158,316</b>	<b>11,122</b>	<b>4,038,627</b>
<b>LIABILITIES</b>				
Accounts payable	-	91,766	9,443	101,209
Due to other funds	766,157	-	-	766,157
Long-term obligations				
Due within one year	-	111,420	-	111,420
<b>TOTAL LIABILITIES</b>	<b>766,157</b>	<b>203,186</b>	<b>9,443</b>	<b>978,786</b>
<b>NET ASSETS</b>				
Invested in capital assets	2,168,645	-	-	2,168,645
Unrestricted	(65,613)	955,130	1,679	891,196
<b>TOTAL NET ASSETS</b>	<b>\$ 2,103,032</b>	<b>\$ 955,130</b>	<b>\$ 1,679</b>	<b>\$ 3,059,841</b>

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds  
Year Ended December 31, 2006

	City Garage	Property and Liability Insurance	Dental Insurance	Totals
Operating Revenues				
Charges for services	\$ 950,524	\$ 96,825	\$ 108,653	\$ 1,156,002
Operating Expenses				
Operation and maintenance	767,698	-	-	767,698
Insurance payments and claims	-	193,701	114,461	308,162
Depreciation	306,140	-	-	306,140
Total Operating Expenses	1,073,838	193,701	114,461	1,382,000
Operating Loss	(123,314)	(96,876)	(5,808)	(225,998)
Nonoperating Revenues (Expenses)				
Investment income	12,505	116,195	-	128,700
Interest and fiscal charges	-	(14,133)	-	(14,133)
Gain on disposal of capital assets	10,292	-	-	10,292
Total Nonoperating Revenues (Expenses)	22,797	102,062	-	124,859
Change in Net Assets	(100,517)	5,186	(5,808)	(101,139)
Net Assets - January 1	2,203,549	949,944	7,487	3,160,980
Net Assets - December 31	\$ 2,103,032	\$ 955,130	\$ 1,679	\$ 3,059,841

**CITY OF MENASHA, WISCONSIN**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended December 31, 2006

	City Garage	Property and Liability Insurance	Dental Insurance	Totals
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 950,524	\$ 136,973	\$ 108,653	\$ 1,196,150
Cash paid to suppliers	(404,814)	(144,323)	(108,000)	(657,137)
Cash paid to employees	(362,884)	-	-	(362,884)
Net Cash Provided (Used) by Operating Activities	182,826	(7,350)	653	176,129
<b>Cash Flows from Noncapital and Related Financing Activities</b>				
Change in interfund receivable and payables	66,401	7,348	(653)	73,096
Dividend from CVMIC	-	116,195	-	116,195
Principal payments on noncapital debt	-	(102,060)	-	(102,060)
Interest payments on noncapital debt	-	(14,133)	-	(14,133)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	66,401	7,350	(653)	73,098
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(249,226)	-	-	(249,226)
<b>Cash Flows from Investing Activities</b>				
Interest received	12,505	-	-	12,505
Change in Cash and Cash Equivalents	12,506	-	-	12,506
Cash and Cash Equivalents - January 1	249,436	-	-	249,436
Cash and Cash Equivalents - December 31	\$ 261,942	\$ -	\$ -	\$ 261,942
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>				
Operating loss	\$ (123,314)	\$ (96,876)	\$ (5,808)	\$ (225,998)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	306,140	-	-	306,140
Changes in assets and liabilities				
Receivables	-	40,148	-	40,148
Accounts payable	-	49,378	6,461	55,839
Net Cash Provided (Used) by Operating Activities	\$ 182,826	\$ (7,350)	\$ 653	\$ 176,129
<b>Noncash Investing, Capital and Financing Activities</b>				
None	\$ -	\$ -	\$ -	\$ -

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the City Council  
City of Menasha, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Menasha, Wisconsin, as of and for the year ended December 31, 2006, which collectively comprise the City of Menasha, Wisconsin's basic financial statements and have issued our report thereon dated August 13, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Menasha, Wisconsin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Menasha, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Menasha, Wisconsin's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies described as 2006-01 and 2006-02 in the schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all

significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described in the accompanying schedule of findings and responses is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Menasha, Wisconsin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Menasha, Wisconsin's response to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the City of Menasha, Wisconsin's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Honorable Mayor and members of the City Council, federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Green Bay, Wisconsin  
August 13, 2007



## **FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES**

To the Honorable Mayor and Members of the City Council  
City of Menasha, Wisconsin

**Compliance**

We have audited the compliance of City of Menasha, Wisconsin with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *State Single Audit* Guidelines issued by the Wisconsin Department of Administration that are applicable to each of its major federal and state programs for the year ended December 31, 2006. City of Menasha, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of City of Menasha, Wisconsin's management. Our responsibility is to express an opinion on City of Menasha, Wisconsin's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about City of Menasha, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Menasha, Wisconsin's compliance with those requirements.

In our opinion, City of Menasha, Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2006.

**Internal Control Over Compliance**

The management of City of Menasha, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered City of Menasha, Wisconsin's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Menasha, Wisconsin's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the City of Menasha, Wisconsin's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

This report is intended solely for the information and use of the Honorable Mayor and members of the City Council, federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Green Bay, Wisconsin  
August 13, 2007

**CITY OF MENASHA, WISCONSIN**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2006

Grantor Agency/Passthrough Agency/ Grant Title, Award or Project Number	Federal CFDA Number	(Accrued) Deferred Revenue 1/1/06	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/06	Total Revenues	Total Expenditures
<b>FEDERAL PROGRAMS</b>						
<u><b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b></u>						
Passed through Wisconsin Department of Administration						
Lead Hazard Control Grant Program	14.900	\$ -	\$ 59,424	\$ 9,288	\$ 68,712	\$ 68,712
<u><b>U.S. DEPARTMENT OF JUSTICE</b></u>						
Passed through the Wisconsin Department of Justice						
Victim Assistance	16.575	(8,427)	46,699	3,194	41,466	41,466
<u><b>U.S. DEPARTMENT OF TRANSPORTATION</b></u>						
Passed through Wisconsin Department of Transportation						
Highway Safety	20.600	-	3,967	-	3,967	3,967
<u><b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b></u>						
Passed through Wisconsin Department of Health and Family Services						
State Indoor Radon Grants	66.032	-	4,500	-	4,500	4,500
Passed through Wisconsin Department of Natural Resources						
Environmental Improvement Fund	66.468	-	751,764	-	751,764	751,764
Total U.S. Environmental Protection Agency		-	756,264	-	756,264	756,264
<u><b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b></u>						
Passed through Wisconsin Department of Health and Family Services						
Immunization Grants	93.268	-	15,528	-	15,528	15,528
CDC Investigations and Technical Assis.	93.283	-	18,689	-	18,689	18,689
Medical Assistance Program	93.778	-	777	-	777	777
Preventive Health & Health Services BG	93.991	-	4,957	-	4,957	4,957
Maternal & Child Health Services Grant	93.994	-	10,605	-	10,605	10,605
Passed through Wisconsin Department of Workforce Development						
Refugee Health Screening	93.566	-	1,640	-	1,640	1,640
Passed through Winnebago County						
Special Programs for the Aging - Title IIIB	93.044	-	44,583	-	44,583	44,583
Passed through Fox Valley Public Health Consortium						
CDC Bioterrorism	93.996	-	25,000	-	25,000	25,000
Total U.S. Department of Health & Human Services		-	121,779	-	121,779	121,779
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ (8,427)</b>	<b>\$ 988,133</b>	<b>\$ 12,482</b>	<b>\$ 992,188</b>	<b>\$ 992,188</b>

The notes to the schedule of expenditures of federal awards and the schedule of state financial assistance are an integral part of this schedule. -

**CITY OF MENASHA, WISCONSIN**  
Schedule of State Financial Assistance  
For the Year Ended December 31, 2006

Grantor Agency/Passthrough Agency/ Grant Title, Award or Project Number	State I.D. Number	(Accrued) Deferred Revenue 1/1/06	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/06	Total Revenues	Total Expenditures
<b><u>DEPARTMENT OF NATURAL RESOURCES</u></b>						
Recreational Boating Facilities	370.573	\$ -	\$ 4,899	\$ -	\$ 4,899	\$ 9,798
<b><u>DEPARTMENT OF HEALTH &amp; FAMILY SERVICES</u></b>						
Childhood Lead	435.157720	-	2,959	-	2,959	2,959
Maternal Child Health	435.159320	-	774	-	774	774
Total Department of Health & Family Services		-	3,733	-	3,733	3,733
<b><u>DEPARTMENT OF ADMINISTRATION</u></b>						
Office of Justice Assistance						
Recording equipment	N/A	-	1,550	-	1,550	1,550
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<b>\$ -</b>	<b>\$ 10,182</b>	<b>\$ -</b>	<b>\$ 10,182</b>	<b>\$ 15,081</b>

The notes to the schedule of expenditures of federal awards and the schedule of state financial assistance are an integral part of this schedule.

**CITY OF MENASHA, WISCONSIN**  
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
December 31, 2006

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards for the City is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the "State Single Audit Guidelines" issued by the Wisconsin Department of Administration.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Expenditures in the schedule are presented in accordance with the modified accrual basis of accounting and are generally in agreement with expenditures reported in the City's 2006 basic financial statements.

The programs included in the Schedule of Expenditures of Federal Awards are separated into major and non-major categories. Additional information on each category is presented below:

The City qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditors' risk assessment. The City's other federal programs were considered non-major programs for 2006.

**NOTE C - OVERSIGHT AGENCY**

The federal oversight agency for the City is the U.S. Environmental Protection Agency while the state oversight agency is the Wisconsin Department of Health and Family Services.

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**CITY OF MENASHA, WISCONSIN**  
Schedule of Findings and Questioned Costs  
December 31, 2006

**Section I - Summary of Auditors' Results**

**Basic Financial Statements**

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	Yes
Noncompliance material to basic financial statements noted?	No

**Federal and State Awards Programs**

Internal control over major program:	
• Material weakness(es) identified	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> ?	No
Identification of major federal program:	

CFDA Number	Name of Federal Program
66.468	Environmental Improvement Fund

Identification of major state programs:

CFDA Number	Name of State Programs
370.573	DNR - Recreational Boating Facilities
N/A	DOA/OJA - Recording Equipment

Audit threshold used to determine between Type A and Type B programs:

Federal	\$300,000
State	\$100,000

Auditee qualified as low-risk auditee	No
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**CITY OF MENASHA, WISCONSIN**  
Schedule of Findings and Questioned Costs (Continued)  
December 31, 2006

**Section II - Financial Statement Findings**

Finding No.	Control Deficiencies
-------------	----------------------

**2006-01                      Year End Closing and Financial Reporting**

**Condition:** While the current staff of the City maintain financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting, closing and GASB 34 conversion entries necessary to prepare financial statements, including related notes, state financial reports and public service commission reports require additional expertise that would entail additional training and staff time to develop. The City contracts with Schenck and their knowledge of current accounting principles and regulatory requirements of the Wisconsin Department of Revenue and the Public Service Commission of Wisconsin to prepare required journal entries and financial reports for the City in an efficient manner.

**Criteria:** The review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statements or notes.

**Cause:** The additional costs associated with hiring staff experienced in preparing year end adjusting, closing, and GASB 34 conversion entries and financial reports, including additional training time outweigh the derived benefits.

**Recommendation:** We recommend the City continue reviewing the adjusting, closing and GASB 34 conversion entries along with the financial reports prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the City is necessary to obtain an adequate understanding of the City's financial report.

Finding No.	Control Deficiencies
-------------	----------------------

**2006-02                      Maintenance of Capital Assets Records**

**Condition:** As part of our audit engagement, we maintain the City's capital assets records. The City's accounting personnel provide us with the current year asset additions and disposals. We record the capital asset additions and disposals and calculate the annual depreciation.

**Criteria:** The maintenance of detailed capital assets records is an internal control intended to safeguard assets and to prevent a potential misstatement in the financial records.

**Cause:** Our audit engagement includes maintaining the City's capital asset records as the City does not employ staff with the expertise or experience to maintain these records in accordance with generally accepted accounting principles.

**Recommendation:** We recommend the accounting personnel and the City Council continue to review the capital assets records of the City. We believe the costs of employing staff with the relevant expertise would outweigh the benefits to be received.

**CITY OF MENASHA, WISCONSIN**  
Schedule of Findings and Questioned Costs (Continued)  
December 31, 2006

**Section III - Federal and State Award Findings and Questioned Costs**

There are no audit findings and questioned costs required to be reported under OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and the "State Single Audit Guidelines" issued by the Wisconsin Department of Administration for the year ended December 31, 2006.

**CITY OF MENASHA, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2006

Prior Year Audit Findings

There were no findings or questioned costs for federal awards for the year ended December 31, 2005.

Corrective Action Plan

Finding No	Corrective Action Plan
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**2006-01                      Year End Closing and Financial Reporting**

Management believes that the cost of hiring additional staff to prepare year end adjusting and closing entries and to prepare financial reports outweighs the benefits to be received.

**2006-02                      Maintenance of Capital Assets Records**

Management believes the cost for additional staff time to maintain the capital asset records outweigh the benefits to be received.

# Wolfrath's Nursery & Landscaping L.L.P.

N2988 Highway 15  
Hortonville, Wisconsin 54944  
(920) 779-6493



Alderman Jan Chase

Thank you for giving Wolfrath's the opportunity to work with you on this tree planting project. I have tried to offer proper varieties and ideas at affordable prices to make the project a success.

When we talked to the homeowners I was under the feeling that the pictured trees would be of their liking and accomplish the goal. I have shown the tree and price picked up at our nursery. We also have talked about delivery and possibility of having Wolfrath's do the planting. These are fairly large trees already at this time and must be dug large enough to offer good survival. Because of the root ball size we could truck about 20 to 25 on a load and the cost to plant would be \$50.00 each. Delivery by Wolfrath's would cost 75.00 per truck load as long as city supplies a loader and help to unload truck at site.

It would be important to water trees in well after planting and perhaps two or three times from June to September next season. I would be glad to offer a one year guarantee on the trees themselves not including labor at this time. Our success rate on the trees proposed when dug the way we intend is very high and with proper weather or some help the first season loss should be very few if any.

Best times for planting such varieties:

**Spruce---**(April 1-April 30<sup>th</sup>) (July 20<sup>th</sup>-December 15<sup>th</sup>) Digging of trees should be done shortly.

**Maple and Poplar---**(April 1-May 1) and (October 15<sup>th</sup>-December)

Jan, My cell # is 716-2988

Thanks,

Bob

Robert H. Wolfrath

Wolfrath's Nursery and Landscaping

## Tree Prices Picked Up

7 1/2-11' Blue Spruce #2 grade \$85.00 ea.

6'-8' Black Hill Spruce #1 grade \$85.00 ea.

Tartarian Maple 13/4-21/2" cal. \$95.00 ea.

Tower Poplar 15-20' 2-3" cal. \$82.00 ea.

Planting \$50.00 ea.

Delivery \$75.00 per truck load aprox. 20-25 trees per load

approx amount \$3,485.00

Alderman Chase



6' to 8' Top grade Black Hill spruce  
\$8500 each

- These trees dry in 34" B+B wire baskets  
easy to move around with a tractor loader  
or prop. 2 to 3 men.

Planting charges if wanted planted \$50.00 ea.  
Weight is approx. 500# ea.

(A) Walbroth's Nursery + Landscaping





This photo shows Colorado Blue Spruce that are much larger than the Black Hill in other photo.

These trees run  $7\frac{1}{2}$  - 11' tall but are not as high quality on one back side. Have been to shady on back side but will fill out in a few years. Front good looking sides could be planted so they look very nice to homes till back fills in.

Might look larger to home-owners first 4 to 5 years.

(B) Can have for same price:  
 \$ 85<sup>00</sup> each  
 \$ 50<sup>00</sup> Planting (Walworth's Nurseries)

8-15' 2" Tree



This photo is of Tatarian  
Maple - a very thick, round  
tree that reaches approx. 25' tall  
Very hardy, rich green summer  
color as shown and fall color  
can run from gold to red/orange.

This tree has been here  
to the ground making good  
screen.

already 1 $\frac{3}{4}$  - 2 $\frac{1}{2}$ " Cal.

8-15' Tree

Wholesale price is \$165<sup>00</sup>  
I can sell to you for  
\$95<sup>00</sup> est.





MEMORANDUM

TO: Mayor and Common Council

FROM: Brian Tungate, Director of Parks and Recreation

DATE: August 22, 2007

RE: Park Board Recommendation to Increase Marina Seasonal Slip Rates for 2008

At the request of Harbormaster Schabach, the Parks and Recreation Board has recommended that the seasonal slip rental rate be increased from \$36.50/foot to \$37.00/foot. The Harbormaster would like to publish next year's rate in her fall mailing. This would be the fourth consecutive \$0.50 raise since 2005. Rate increases have corresponded with pier improvements and seem to have been accepted relatively well by seasonal renters.

**2007**  
**City of Menasha Health Department**  
**Agreement with**  
**Fox Valley Public Health Preparedness Consortium**

This agreement is made and entered into for the period of January 1, 2007 to December 31, 2007 by and between the Fox Valley Public Health Preparedness Consortium (Appleton Health Department, fiscal agent) and the City of Menasha Health Department.

Now, therefore, the Fox Valley Public Health Preparedness Consortium and the City of Menasha Health Department agree to the following:

**I. SERVICES TO BE PROVIDED**

- A. Fox Valley Public Health Preparedness Consortium will provide funding for the completion of the member responsibilities referenced in contract #14904, the CDC Bioterrorism Grant. These activities and responsibilities have been negotiated with the State of Wisconsin Department of Health and Family Services Division of Public Health.

**II. AMOUNT OF CONTRACT AND PAYMENT OF SERVICES**

- A. In consideration of services to be provided, the Fox Valley Public Health Preparedness Consortium agrees to pay the City of Menasha Health Department \$28,500. The funding will be provided on the following schedule: payment of \$28,500 paid when a report summarizing the completion of said responsibilities is submitted to the Fox Valley Public Health Preparedness Consortium Fiscal Agent and is found to satisfy program criteria as determined by the Wisconsin Division of Public Health Grant Administrator.
- B. This additional funding from the Fox Valley Public Health Preparedness Consortium is intended to support the completion of this year's objectives, and is, therefore, not intended to be continued beyond this year.

**III. SIGNATURE**

This contract is agreed upon and approved by the authorized representatives.

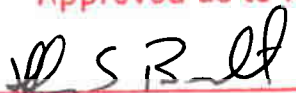
\_\_\_\_\_  
Fox Valley Public Health Consortium  
Fiscal Agent Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sue Nett  
City of Menasha Health Department Representative

\_\_\_\_\_  
Date

Approved as to form

 9-11-07  
\_\_\_\_\_  
Jeffrey S. Brandt, City Attorney

**WB-11 RESIDENTIAL OFFER TO PURCHASE**

Page 1 of 5

1 **THIS OFFER ON** 09/07/2007 **[DATE] IS (AGENT OF SELLER) (AGENT OF BUYER) (DUAL AGENT)** **[STRIKE TWO]**

2 **GENERAL PROVISIONS** The Buyer, Michael D. Austin

3 offers to purchase the Property known as [Street Address] 121 River Street

4 in the City of Menasha, County of Winnebago

5 Wisconsin (Insert additional description, if any, at lines 180 - 186, 318 - 321 or attach as an addendum per line 316), on the following terms:

6 **PURCHASE PRICE:** Thirty Thousand

7 Dollars (\$ 30,000.00).

8 **EARNEST MONEY** of \$ 5,000.00 accompanies this Offer and earnest money of \$5,000.00

9 will be paid within 3 days of acceptance.

10 **THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below.

11 **ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE:** Seller shall include in the purchase price and transfer, free and clear

12 of encumbrances, all fixtures, as defined at lines 124 - 132 and as may be on the Property on the date of this Offer, unless excluded

13 at lines 15 - 16, and the following additional items: None

14

15 **ITEMS NOT INCLUDED IN THE PURCHASE PRICE:** \_\_\_\_\_

16

17 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on

18 separate but identical copies of the Offer. **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider**

19 **whether short term deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

20 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or

21 before September 19, 2007. **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

22 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices

23 to a Party shall be effective only when accomplished by one of the methods specified at lines 24 - 33.

24 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account

25 with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 27 or

26 29 (if any) for delivery to the Party's delivery address at lines 28 or 30.

27 Seller's recipient for delivery (optional): \_\_\_\_\_

28 Seller's delivery address: 140 Main Street Menasha, WI 54952

29 Buyer's recipient for delivery (optional): \_\_\_\_\_

30 Buyer's delivery address: 141 River Street Menasha, WI 54952

31 (2) By giving the document or written notice personally to the Party, or the Party's recipient for delivery if an individual is designated at lines 27 or 29.

32 (3) By fax transmission of the document or written notice to the following telephone number:

33 Buyer: ( \_\_\_\_\_ ) Seller: ( \_\_\_\_\_ )

34 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer (lines

35 293 through 297). At time of Buyer's occupancy, Property shall be free of all debris and personal property except for personal property

36 belonging to current tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

37 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said

38 lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) **[STRIKE ONE]**

39 lease(s), if any, are \_\_\_\_\_

40 **RENTAL WEATHERIZATION** This transaction (is) (is not) **[STRIKE ONE]** exempt from State of Wisconsin Rental Weatherization

41 Standards (Wis. Admin. Code Comm 67). If not exempt, (Buyer) (Seller) **[STRIKE ONE]** will be responsible for compliance,

42 including all costs. If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

43 **PLACE OF CLOSING** This transaction is to be closed at the place designated by Buyer's mortgagee or Buy Title-Appleton

44 no later than September 27, 2007 unless another date or place is agreed to in writing.

45 **CLOSING PRORATIONS** The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges,

46 garbage pick-up and other private and municipal charges, property owner's association assessments, fuel and \_\_\_\_\_

47 \_\_\_\_\_ Any income, taxes or expenses shall accrue to Seller, and be prorated, through the day

48 prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if

49 known, otherwise on the net general real estate taxes for the preceding year) ( \_\_\_\_\_ )

50 **[STRIKE AND COMPLETE AS APPLICABLE]**

51 **CAUTION: If proration on the basis of net general real estate taxes is not acceptable (for example, completed/pending**

52 **reassessment, changing mill rate, lottery credits), insert estimated annual tax or other formula for proration.**

53 **PROPERTY CONDITION PROVISIONS**

54 **PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date of acceptance Seller has no notice

55 or knowledge of conditions affecting the Property or transaction (see below) other than those identified in Seller's Real Estate

56 Condition Report dated \_\_\_\_\_, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this

57 Offer by reference **[COMPLETE DATE OR STRIKE AS APPLICABLE]** and \_\_\_\_\_

59 ■ A "condition affecting the Property or transaction" is defined as follows:

- 60 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the  
 61 Property or the present use of the Property;  
 62 (b) completed or pending reassessment of the Property for property tax purposes;  
 63 (c) government agency or court order requiring repair, alteration or correction of any existing condition;  
 64 (d) construction or remodeling on Property for which required state or local permits had not been obtained;  
 65 (e) any land division involving the subject Property, for which required state or local approvals had not been obtained;  
 66 (f) violation of applicable state or local smoke detector laws; **NOTE: State law requires operating smoke detectors on all levels  
 67 of all residential properties.**  
 68 (g) any portion of the Property being in a 100 year floodplain, a wetland or a shoreland zoning area under local, state or federal laws;  
 69 (h) that a structure on the Property is designated as an historic building or that any part of Property is in an historic district;  
 70 (i) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;  
 71 (j) mechanical systems inadequate for the present use of the Property;  
 72 (k) insect or animal infestation of the Property;  
 73 (l) conditions constituting a significant health or safety hazard for occupants of Property; **Note: Specific federal lead paint  
 74 disclosure requirements must be complied with in the sale of most residential properties built before 1978.**  
 75 (m) underground or aboveground storage tanks on the Property for storage of flammable or combustible liquids including but not  
 76 limited to gasoline and heating oil which are currently or which were previously located on the Property; **NOTE: Wis. Adm. Code,  
 77 Chapter Comm 10 contains registration and operation rules for such underground and aboveground storage tanks.**  
 78 (n) material violations of environmental laws or other laws or agreements regulating the use of the Property;  
 79 (o) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;  
 80 (p) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with  
 81 knowledge of the nature and scope of the condition or occurrence.

82 ■ **REAL ESTATE CONDITION REPORT:** Wisconsin law requires owners of property which includes 1-4 dwelling units to provide  
 83 buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been inhabited,  
 84 sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal  
 85 representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The law provides:  
 86 "709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the contract of sale . . . ,  
 87 to the prospective buyer of the property a completed copy of the report . . . A prospective buyer who does not receive a report within  
 88 the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of sale . . . by delivering a written  
 89 notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if a Real Estate Condition  
 90 Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is submitted to Seller. Buyer should  
 91 review the report form or consult with an attorney for additional information regarding these rescission rights.

92 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer acknowledges that any land, building or room dimensions, or total acreage  
 93 or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of rounding or other  
 94 reasons, unless verified by survey or other means. Buyer also acknowledges that there are various formulas used to calculate  
 95 total square footage of buildings and that total square footage figures will vary dependent upon the formula used. **CAUTION: Buyer  
 96 should verify total square footage formula, total square footage/acreage figures, land, building or room dimensions, if material.**  
 97 ■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the  
 98 inspections are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such  
 99 inspection reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property  
 100 to its original condition after Buyer's inspections are completed, unless otherwise agreed with Seller. An "inspection" is defined as  
 101 an observation of the Property which does not include testing of the Property, other than testing for leaking carbon monoxide, or  
 102 testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.

103 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of  
 104 the Property. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the  
 105 Property and the laboratory or other analysis of these materials. If Buyer requires testing, testing contingencies must be specifically  
 106 provided for at lines 180 - 186, 317 - 320 or in an addendum per line 316. Note: Any contingency authorizing such tests should  
 107 specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if environmental contamination is present),  
 108 any limitations on Buyer's testing and any other material terms of the contingency (e.g., Buyer's obligation to return the Property  
 109 to its original condition). Seller acknowledges that certain inspections or tests may detect environmental pollution which may be  
 110 required to be reported to the Wisconsin Department of Natural Resources.

111 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing,  
 112 Buyer shall have the right to inspect the Property to determine that there has been no significant change in the condition of the  
 113 Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects Seller has elected to cure have  
 114 been repaired in a good and workmanlike manner.

115 ■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing  
 116 or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear.  
 117 If, prior to closing, the Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be  
 118 obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. If the damage shall exceed  
 119 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should  
 120 Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds relating to the damage  
 121 to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy. However, if this  
 122 sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of  
 123 restoring the Property.

124 ■ **FIXTURES** A "Fixture" is defined as an item of property which is physically attached to or so closely associated with land or  
 125 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily  
 126 removable without damage to the Property, items specifically adapted to the Property and items customarily treated as fixtures,  
 127 including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting  
 128 fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached equipment;  
 129 water heaters and softeners; sump pumps; attached or fitted floor coverings; awnings; attached antennas, satellite dishes and  
 130 component parts; garage door openers and remote controls; installed security systems; central vacuum systems and accessories;  
 131 in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent  
 132 foundations and docks/piers on permanent foundations. **NOTE: The terms of the Offer will determine what items are  
 133 included/excluded. Address rented fixtures (e.g., water softeners), if any.**

135 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy;

136 (4) date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except: \_\_\_\_\_

137 \_\_\_\_\_ If "Time is of the Essence" applies

138 to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not

139 apply to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

140 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by

141 excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.

142 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under

143 Wisconsin or Federal law, and other day designated by the President such that the postal service does not receive registered mail

144 or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such

145 as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines

146 expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

147 **THE FINANCING CONTINGENCY PROVISIONS AT LINES 149 - 163 ARE A PART OF THIS OFFER IF LINE 149 IS MARKED,**

148 **SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF LINE 149 IS MARKED N/A OR IS NOT MARKED.**

149 ☐ **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a \_\_\_\_\_

150 **INSERT LOAN PROGRAM OR SOURCE** first mortgage loan commitment as described below, within \_\_\_\_\_ days of acceptance of this Offer.

151 The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years,

152 amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_.

153 Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private

154 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee not to

155 exceed \_\_\_\_\_% of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's

156 other closing costs.) If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted

157 to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain

158 the term and amortization stated above. **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 159 OR 160.**

159 ☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.

160 ☐ **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest rate shall

161 be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per year. The

162 maximum interest rate during the mortgage term shall not exceed \_\_\_\_\_ %. Monthly payments of principal and interest may

163 be adjusted to reflect interest changes.

164 **LOAN COMMITMENT:** Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and

165 to provide evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other

166 financing acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan

167 commitment at line 150. Buyer's delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall satisfy

168 the Buyer's financing contingency unless accompanied by a notice of unacceptability. **CAUTION: BUYER, BUYER'S LENDER AND**

169 **AGENTS OF BUYER OR SELLER SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR**

170 **APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

171 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if

172 Seller delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

173 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already

174 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same

175 including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this

176 Offer, Seller shall then have 10 days to give Buyer written notice of Seller's decision to finance this transaction on the same terms

177 set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's

178 notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain any credit information reasonably

179 appropriate to determine Buyer's credit worthiness for Seller financing.

180 **ADDITIONAL PROVISIONS/CONTINGENCIES** 1. This is a Cash Offer.

181 2. Seller to provide buyer with a condition report of above said property with in 3 days of

182 acceptance.

183 3. Buyer will not place mortgage on above said property until renovation is complete and

184 occupancy certificate is granted.

185 4. buyer and seller agree that the property is being sold "AS IS" With no warranties provided by

186 the seller. Buyer agrees to hold seller harmless for defects found after closing

187 **TITLE EVIDENCE**

188 ☒ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or

189 other conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances

190 and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building

191 and use restrictions and covenants, general taxes levied in the year of closing and \_\_\_\_\_ (provided none

192 of the foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Seller

193 further agrees to complete and execute the documents necessary to record the conveyance. **WARNING: Municipal and zoning**

194 **ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore**

195 **should be reviewed, particularly if Buyer contemplates making improvements to Property or a use other than the current use.**

196 ☒ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount

197 of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE**

198 **EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

200 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title  
 201 evidence shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less  
 202 than 3 business days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title  
 203 evidence to be merchantable, subject only to liens which will be paid out of the proceeds of closing and standard title insurance  
 204 requirements and exceptions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF**  
 205 **THE TITLE COMMITMENT PRIOR TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED**  
 206 **BETWEEN THE EFFECTIVE DATE OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED**

207 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title  
 208 by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections,  
 209 and the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said  
 210 objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for  
 211 closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title  
 212 evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

213 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall  
 214 be paid by Seller no later than closing. All other special assessments shall be paid by Buyer. **CAUTION: Consider a special agreement**  
 215 **if area assessments, property owner's association assessments or other expenses are contemplated.** "Other expenses" are one-time charges  
 216 or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter, street,  
 217 sidewalk, sanitary and stormwater and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street  
 218 lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. §66.55(1)(c) & (f).

219 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated  
 220 in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be  
 221 considered an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to,  
 222 or actual receipt by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent  
 223 of the Party receiving the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been  
 224 received by the other Party. The delivery/receipt provisions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable  
 225 (see lines 24 - 30) or when a party will not be personally available to receive a notice (see line 286)). Buyer and Seller authorize the agents of  
 226 Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement  
 227 service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

228 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions  
 229 of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability  
 230 for damages or other legal remedies.

231 If **Buyer defaults**, Seller may:

- 232 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 233 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to
- 234 return the earnest money and have the option to sue for actual damages.

235 If **Seller defaults**, Buyer may:

- 236 (1) sue for specific performance; or
- 237 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

238 In addition, the Parties may seek any other remedies available in law or equity.

239 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
 240 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead  
 241 of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those  
 242 disputes covered by the arbitration agreement

243 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT**  
 244 **CAREFULLY AND PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM**  
 245 **GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN**  
 246 **ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

#### 247 **EARNEST MONEY**

248 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's  
 249 agent if Property is not listed or Seller's account if no broker is involved), until applied to purchase price or otherwise disbursed as  
 250 provided in the Offer. **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties**  
 251 **or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.**

252 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
 253 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At  
 254 closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall  
 255 be disbursed according to a written disbursement agreement signed by all Parties to this Offer (Note: Wis. Adm. Code s. RL  
 256 18.09(1)(b) provides that an offer to purchase is not a written disbursement agreement pursuant to which the broker may disburse).  
 257 If said disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse  
 258 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2)  
 259 into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any  
 260 other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an  
 261 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed  
 262 \$250, prior to disbursement.

263 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in  
 264 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to  
 265 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or  
 266 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.  
 267 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4  
 268 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their  
 269 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith  
 270 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations  
 271 concerning earnest money. See Wis. Adm. Code Ch. RL 18.

272 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding  
 273 the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to  
 274 the benefit of the Parties to this Offer and their successors in interest.



275 **PROPERTY ADDRESS:** 121 River St City of Menasha

276 **OPTIONAL PROVISIONS:** THE PROVISIONS ON LINES 278 THROUGH 317 ARE A PART OF THIS OFFER IF MARKED, SUCH AS WITH AN "X".

277 THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK (EXCEPT AS PROVIDED AT LINES 280 - 281).

278 ☐ **SALE OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the sale and closing of Buyer's property

279 located at \_\_\_\_\_, no later than \_\_\_\_\_.

280 \_\_\_\_\_ Seller may keep Seller's Property on the market for sale and accept secondary offers. If this contingency is

281 made a part of this Offer, lines 282 - 286 are also a part of this offer unless marked N/A at line 282 or otherwise deleted.

282 ☐ **CONTINUED MARKETING:** If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer of

283 acceptance. If Buyer does not deliver to Seller a written waiver of sale of Buyer's property contingency and \_\_\_\_\_ [INSERT OTHER

284 REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL CONTINGENCIES, OR PROVIDING

285 EVIDENCE OF SALE OR BRIDGE LOAN, etc.)] within \_\_\_\_\_ hours of Buyer's actual receipt of said notice, this Offer shall be null and void.

287 ☐ **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery of

288 written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior to any

289 deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers. Buyer may

290 declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice that this Offer

291 is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_\_ days after acceptance of this Offer. All other Offer

292 deadlines which are run from acceptance shall run from the time this Offer becomes primary.

293 ☐ **PRE/POST CLOSING OCCUPANCY:** Occupancy of \_\_\_\_\_ shall be

294 given to Buyer on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m. (Seller) (Buyer) ☐ STRIKE ONE shall pay an

295 occupancy charge of \$ \_\_\_\_\_ per day or partial day of pre/post-closing occupancy. Payment shall be due at the beginning of the

296 occupancy period. Any unearned post closing occupancy fee (shall)(shall not) ☐ STRIKE ONE be refunded based on actual occupancy.

297 **CAUTION: Consider a special agreement regarding occupancy escrow, insurance, utilities, maintenance, keys, etc.**

298 ☐ **INSPECTION CONTINGENCY:** This Offer is contingent upon a Wisconsin registered home inspector performing a home

299 inspection of the Property, and an inspection, by a qualified independent inspector, of \_\_\_\_\_

300 \_\_\_\_\_ which discloses no defects as defined below. This contingency

301 shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller, and to listing broker if Property is

302 listed, a copy of the inspector's written inspection report(s) and a written notice listing the defect(s) identified in the inspection

303 report(s) to which Buyer objects. **CAUTION: A proposed amendment will not satisfy this notice requirement.** Buyer shall order

304 the inspection and be responsible for all costs of inspection, including any inspections required by lender or as follow-up inspections to

305 the home inspection. **Note: This contingency only authorizes inspections, not testing. (See lines 97 - 110.)**

306 ☒ **RIGHT TO CURE:** Seller (shall)(shall not) ☐ STRIKE ONE have a right to cure the defects. (Seller shall have a right to cure if no choice is indicated.)

307 If Seller has right to cure, Seller may satisfy this contingency by: (1) delivering a written notice within 10 days of receipt of Buyer's notice of Seller's election

308 to cure defects, (2) curing the defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done no later than

309 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the above notice and report and: (1) Seller does not have a right

310 to cure or (2) Seller has a right to cure but: a) Seller delivers notice that Seller will not cure or b) Seller does not timely deliver the notice of election to cure.

311 ☒ **"DEFECT" DEFINED:** For the purposes of this contingency, a defect is defined as a structural, mechanical or other condition

312 that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future

313 occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or have a significant adverse

314 effect on the expected normal life of the Property. Defects do not include structural, mechanical or other conditions the nature and

315 extent of which Buyer had actual knowledge or written notice before signing this Offer.

316 ☐ **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Offer.

317 **ADDITIONAL PROVISIONS/CONTINGENCIES** 1. Buyer waives opportunity for a home inspection.

318 2. Buyer to have renovation of said property complete with in 1 year of closing date.

319 3. Buyer to provide to the city of Menasha proof of funds totaling \$150,000.00 to renovate above

320 said property with in the 1 year time frame.

321 This Offer was drafted on 09/07/2007 [date] by [Licensee and firm] \_\_\_\_\_

322 (x) Michael D. Austin provided at closing 09/07/2007

323 Buyer's Signature ▲ Print Name Here: ► Michael D. Austin Social Security No. or FEIN ▲ Date ▲

324 (x) \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

325 Buyer's Signature ▲ Print Name Here: ► \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

326 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 247 - 271.)

327 \_\_\_\_\_ Broker (By) \_\_\_\_\_

328 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER**

329 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON**

330 **THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

331 (x) \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

332 Seller's Signature ▲ Print Name Here: ► \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

333 (x) \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

334 Seller's Signature ▲ Print Name Here: ► \_\_\_\_\_ Social Security No. or FEIN ▲ Date ▲

335 This Offer was presented to Seller by \_\_\_\_\_ on \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

336 THIS OFFER IS REJECTED \_\_\_\_\_ THIS OFFER IS COUNTERED [See attached counter] \_\_\_\_\_

337 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

950 Gail ave.  
Neenah, Wisconsin 54956  
920-722-5577  
stanbye@athenet.net

September 9, 2007

Menasha City Council  
Menasha, Wisconsin

The Honorable Mayor Joe Laux and Honorable Council Members,

On March 20, 2007 I met Mr. Michael Austin in order to inspect a house at 121 River street which Mr. Austin was interested in purchasing. The house is located next to Mr. Austin's present residence at 141 River street. As I recall, the house was soon to become the property of the City of Menasha due to back taxes.

At the time, the house was partially open and I was able to inspect the basement/crawl space and the second floor. We discussed some of the problems we would need to overcome to restore the house to meet today's contemporary lifestyle.

The house shows abuse by the previous owners. Mr. Austin's intends to improve the floor plan. This will necessitate the relocation of some walls, the refinishing of all walls and ceilings, installation of new energy - saving windows and doors and new floor coverings. Exterior changes will include a new garage addition and other features to enhance the appearance of the home.

When I am asked to inspect an older home, I am aware that the interior and exterior surfaces can be restored to like- new condition. However, I am more concerned with the structural integrity, especially in those buildings that are adjacent to rivers and lakes.

Upon the inspection of this house I found the structure to be in fairly good condition. In the basement/crawl space there are two wooden beams that appear to be overloaded and are cracked. These should be repaired by replacement or reinforced with new micro-lams or steel channels. I did not calculate the design load requirements at the time. This will be a simple calculation once the floor plan is dimensioned and drawn. I also looked for dry rot. Since the floor is concrete and the level is reasonably high above the river water line, the amount of moisture does not appear to be significant enough to cause dry rot damage to the structure.

In past years I have had two lake side homes that were built with enclosed dirt crawl spaces that trapped so much moisture that the floor joists were rotten to the point that the carpenter was able to remove the bottom half of the joist with his bare hands.

This is not to say that some additional problems may not occur through discovery during the remodeling process. Of the 250 or so residential remodeling projects with which I've been involved, it has not been unusual to uncover hidden problems on the job site. These problems are then addressed as needed. .

My opinion for this house is that it is worth saving. My experience in working with Mr. Austin is that he has been a conscientious contractor/owner of his projects. The site has waterfront access and almost complete privacy. River street is similar to having an alley access to your property.

Sincerely,

Stanley Jon Bye - Architect



Menasha City Council:

At the last Menasha Common Council meeting my original offer on the house at 121 River Street was rejected. I have resubmitted an offer to purchase with the contingencies removed. I followed up the meeting by calling each alderman to get their specific reason and concerns for rejecting the offer. I would like to address each here in this letter.

1) Flood Plain Issues. The home is partially in the flood plain. I have other properties that are in the flood plain. Being in a flood plain should not have bearing on whether or not the home should be sold. I purchase my flood insurance coverage from Menasha-based ISC Ripple Insurance and I'm aware of the costs and risks involved with flood plain issues.

2) Garage variance request. The original offer was subject to getting a variance. It has been removed. The architect working within the setback requirements will place the garage to the west and south of the original planned location.

3) Zoning change to R-2 contingency has been removed.

4) Who is going to do the work and when will it be done? I hire professionals to do all the trade work. I use competent carpenters that will be following the plans drawn by architect Stanley Bye. I personally do only the gutting of the interiors, window replacement, and floor tiles. I use local contractors: The plumber and the heating contractor are from Menasha. The carpenter, excavator, and mason are from the Town of Menasha. The electrician is from Appleton. As I use the same vendors on every job I've done since 1999 I know that when we are on deadlines and schedules they do perform. It will be completed in one year or less.

5) I have financing available to complete the work on the property. I have several business credit lines in place. I am willing to show the City that I do have the resources to complete the work without using the subject property as collateral.

6) A concern that the project will drag on past the completion date and look like 217 Kaukauna Street. I've been complaining to Community Development myself about the condition of 217 Kaukauna Street. Their lack of progress should not indicate that all rebuilding in Menasha should be halted. I toured that property when Horicon Bank had ownership. I offered a dollar for the property. The contractors I use toured the property with me and said it would cost too much to salvage. It should have been torn down and replaced with a new building. Community Development allowed the new owners to proceed with a plan that had minimal cash commitment.

I would like to point out a successful rebuild in Menasha, On the corner of Keyes and Naymut Street was a real trash heap. Community Development and the Building Inspectors wanted to raze that property. Look at it now. It is a fine looking home welcoming visitors to Doty Island as they cross the Racine Street Bridge to the south. I was told that property sold for \$28,000 in the foreclosure market. It added tax base to the City of Menasha treasury as well beautifying the neighborhood. It is certainly better than a vacant lot or a Habitat for Humanity dwelling.

7) Having residential homes in an industrial area. The area should not be further entrenched with residences. Two years ago the City Council allowed

me to change the Zoning at 141 River Street to two family. The 3 homes located on River Street have been here for 70 plus years. There is a better chance of this area going all residential in the future then seeing any additional industry moving onto a 80 wide by 110 deep lot.

8) Lot would serve the Community of Menasha as a boat landing. The water, when it is deep enough to float a boat here, is in a current that is prohibitive to launching safely. Nor is there any space for parking. There is a boat launch on Water Street near the Lush Street intersection that is more conducive for boats if the city needs another boat launch area.

9) The amount of taxes generated do not amount enough to be worthy of city consideration. I find that comment ill advised. With the planned improvements to the property there'd be approximately 50% increase in taxes paid to the city treasury. That is approximately 1 weeks pay for the mayor's position. The city should not consider any tax revenue as chump change.

10) If the building is razed there are at least 2 other entities that lose out. Our own Menasha Utilities loses on out both the electric and water sales. The use of a water source electric heat pump for heating and cooling as well as an electric hot water heater adds to the sale of electricity. Sewer user fees will not be collected either.

11) Increased traffic on River Street. Why was the street upgraded and heavily landscaped if it was not planned to have traffic? The south side of River Street terrace is 3 feet tall with weeds. The north side of the street that is landscaped with bushes and trees is becoming overgrown with weeds.

12) The cost of rebuilding the house at 121 River Street is too much. My plan is to do it right from the beginning. Sure it costs are high. Spray foam insulation is expensive and does cost more, but it does have a pay back. It makes the home more energy efficient in both summer and winter. Beam replacement is readily repaired. The structure will be jacked up with temporary shoring to replace the beams. It is a safe and common repair.

I have submitted an offer to purchase for 121 River Street in the amount of \$30,000. I am well acquainted with the property. I have had it inspected by a licensed plumber, a licensed electrician, a licensed HVAC vendor, as well as an architect and carpenter. We are all in agreement that the building can be rebuilt and salvaged. It is not in that dire of condition that it needs to be razed and the foundation filled in.

It does need work. It needs a large investment of both capital and labor. I am prepared both financially and logistically to get the home repaired, renovated and completed within one year of time from the day of the sale closing. I have been doing this since 1999 and have yet to miss a deadline. One year is the worst case scenario. I anticipate about 9 months from start to completion.

After the closing the architect will do his complete inspection of the premises. His name is Stanley Bye and he has been working with me on various projects since 1999. He knows both CDD Greg Keil and Building Inspector Dennis Jansen.

There are some structural issues that will be addressed immediately. Two broken beams in the lower part of the structure will need to be removed and replaced. The architect will design the replacement beams. Footings will be

poured and new columns if required will be set. Beams will be replaced. From there we will begin to gut it out from the top down.

PWD Mark Radtke has emailed me that there are no weight restrictions on the River Street Bridge. We will use 30 yard containers for removal of interior material. The anticipated length of time the roll-off containers will be on-site in view is six weeks. The roll-offs will be placed as far out of the neighbors view as possible.

A detailed roof inspection will be made. If the roof needs replacement it will be done first. Proper amount of free venting will be added even if roof need not be replaced.

Siding will be inspected to see if it was installed and flashed properly. Soffit venting will be added. Attic insulation will be brought up to an insulated to a value of R-38. If R-38 cannot be achieved by blowing in cellulose, high density pink foam will be added to the bottom of the ceiling joist.

The floor plan and garage addition plans should be done within 2 weeks after closing. The excavation for the frost walls will begin as soon as the building permit is issued. The attached garage will be built within the confines of setbacks to the maximum size allowed. When the garage is completed a six cubic yard container will be placed inside for construction waste.

Interior framing will start as soon as the garage is complete. Once the interior framing is roughed in the plumbing, electrical, and heating contractors will start their rough in. Windows will be replaced. All entry and patio doors will be replaced with new units. The spray foam applicators will come insulate the exterior walls with polyurethane foam.

Polyurethane foam has an insulating value of R-7 per inch. It also fills the cavity completely. It fills in voids in the sheathing. It fills in behind electrical boxes and wiring. It provides moisture barrier from the interior to exterior. It stops air infiltration from the outside in. It is similar to Great Stuff foam that comes in cans. It is the most effective way to insulate buildings that have not been insulated or house wrapped in the past. It is far more effective than stuffing batts of insulation into cavities and around obstructions.

[http://www.dwyersspecialty.com/knowledge\\_spfbenefits.htm](http://www.dwyersspecialty.com/knowledge_spfbenefits.htm)

When the spray foam insulation is finished the wallboard installers will start hanging sheet rock. When they are finished a new sub floor will be installed. Sealing and painting the drywall will be next step. After the walls and ceilings are painted the new cabinets will be installed.

A water source heat pump will be used for heating and cooling of the home. It is by far the most efficient way to heat and cool as well as minimizing the environmental impact of using fossil fuels as a heat source. It is the latest in building technology. Watersource heat pumps provide up to 400% efficiency. Heat pump domestic hot water heaters are up to 200% efficient.

When the cabinets are in place the new flooring will go into place. Porcelain tile in the living areas, kitchen areas, bathroom areas as well as the laundry. The bedrooms will be carpeted. Carpeting will be the last flooring to be installed before the finished trim is applied.

As spring arrives the property will be landscaped and a new over seeded lawn will be put in. Interior and exterior trim to be applied. Occupancy permit will then be granted from building inspection department. The renovation will cost around \$100,000. I have done 20 plus renovations in the past 8 years. I have a track record of success. I have the financial resources, the desire to do it, and the ability to schedule the vendors to keep it moving on a schedule.

Razing this home would be a loss to the tax base and a vacant lot would ensue. I'd like the opportunity rebuild this home in Menasha that will only enhance the neighborhood as well as increase the tax base by 50%. Selling the property to me nearly doubles the investment Menasha made in the purchase of this property and provides a residual income stream to the city through property taxes.

If you share the same concern as I do about the City of Menasha current financial problems the last thing Menasha needs is another vacant lot that would need to be maintained by the city. Menasha Utilities would benefit as there would be electric meter base charges as well as electric sales to this home. Heating, cooling and lighting would be 100% electric. Water usage and sewer user fees. It adds up to a continued contribution to the City and the Menasha Utilities.

If you have any further questions or concerns please feel to call me at 920-428-6440. I look forward to your favorable vote on September 17, 2007.

Sincerely Yours,

*Michael Austin* 9/10/07

Michael Austin  
141 River Street  
Menasha WI 54952  
920-428-6440

## **CITY OF MENASHA DISBURSEMENTS**

Accounts Payable for 9/6/07-9/13/07	\$ 222,382.99
Checks # 13977-14112	

Payroll Checks for 8/31/07-9/13/07	<u>148,425.80</u>
Checks # 34394-34634	

Total	\$ 370,808.79
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\*\*Gaps in the sequence of accounts payable check numbers may be caused by: voiding checks at the start of a new check run to set up printing of the checks correctly, having a large number of invoices on a particular vendor which causes the payment to be printed on more than one accounts payable check , incorrect alphabetizing of a vendor causing the accounts payable check to appear out of sequence or software/printer problems which result in accounts payable checks being printed incorrectly and needing to be discarded.

Menasha Employees Credit Union-Employee Deductions

Menasha Employees Local 1035-Union Dues

Menasha Employees Local 1035B-Union Dues

Wisconsin Support Collections-Child/Spousal Support

United Way-Employee Donations

AMT-Garnishments

Date: Thursday, September 06, 2007  
Time: 09:35AM  
User: MGRIESBACH

**CITY OF MENASHA**  
**Check Register - w/Alternate Description**

Page: 1 of 9  
Report: 03630Alt.rpt  
Company: 31100

Vendor ID / Name	Invoice Nbr	CpnyID	Acct	Subaccount	Amount	Invoice Description
01030 AAA SANITATION INC	147379	31100	55	07-202-209	165.00	PORTABLE TOILETS/BRIGHTON BH
	147380	31100	55	07-202-209	165.00	PORTABLE TOILETS/BOAT LANDING
	Check Date	9/6/2007	Check Nbr	013977	Check Total:	330.00
01157 ADVANTAGE POLICE SUPPLY INC	465	31100	52	08-101-315	345.00	SHIELD LIGHT/GRANT MONEY
	Check Date	9/6/2007	Check Nbr	013978	Check Total:	345.00
01315 AIRGAS NORTH CENTRAL	105891405	31731	54	10-149-300	48.79	OXYGEN
	Check Date	9/6/2007	Check Nbr	013979	Check Total:	48.79
01360 ALFERI INDUSTRIAL SALES & SERV	55636	31100	55	07-202-300	21.70	SWITCH/CORD/CONNECTOR
	Check Date	9/6/2007	Check Nbr	013980	Check Total:	21.70
01630 AMERICAN RED CROSS OF NEENAH-	18078	31100	55	07-203-310	15.00	LESSON MATERIALS
		31100	55	07-203-310	-15.00	VOID CHECK 13904
	Check Date	9/6/2007	Check Nbr	013981	Check Total:	0.00
02040 BADGER HIGHWAYS CO INC	INV000030952	31201	54	10-301-212	252.00	BOD, FLOW, SUSPENDED SOLIDS
	137253	31100	54	10-121-300	1,165.81	CULVERT PIPE/MEADOWVIEW
	137237	31100	54	10-121-300	159.75	MEADOWVIEW
		31201	54	10-301-212	-252.00	INCORRECT VENDOR
	Check Date	9/6/2007	Check Nbr	013982	Check Total:	1,325.56
02335 BECK ELECTRIC INC	D262	31100	55	07-202-240	171.88	BALLAST/BULBS
	Check Date	9/6/2007	Check Nbr	013983	Check Total:	171.88
02410 BERGSTROM	FOCS104050	31100	52	08-101-295	442.89	VEHICLE REPAIR
	Check Date	9/6/2007	Check Nbr	013984	Check Total:	442.89

Date: Thursday, September 06, 2007  
 Time: 09:35AM  
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02717 JEFFREY BRANDT	090407	31100	51	02-103-331	64.02	MILEAGE
	090407	31100	51	02-103-333	16.00	MEALS
	090407	31100	51	02-105-331	38.80	MILEAGE
	Check Date	9/6/2007	Check Nbr	013986	Check Total:	118.82
02815 SYLVIA BULL	082707	31100	53	09-212-331	179.34	CWAG CONF HOTEL RESERV/S BULL
	Check Date	9/6/2007	Check Nbr	013987	Check Total:	179.34
03145 CAREW CONCRETE & SUPPLY CO INC	734219	31100	54	10-121-300	514.00	MEADOWVIEW/GREENDALE
	734528	31100	54	10-121-300	550.00	MEADOWVIEW/GREENDALE
	736318	31100	54	10-121-300	415.00	ONEIDA
	734681	31100	54	10-121-300	370.00	MEADOWVIEW/GREENDALE
	737006	31100	54	10-134-300	46.00	
	737311	31100	54	10-121-300	334.00	MEADOWVIEW/NINTH
	Check Date	9/6/2007	Check Nbr	013988	Check Total:	2,229.00
03205 CASPERS TRUCK EQUIPMENT INC	28248	31100	55	07-202-300	92.43	KEY/LOCK ASSY
	Check Date	9/6/2007	Check Nbr	013989	Check Total:	92.43
03225 CB SUPPLY COMPANY INC	0133304-IN	31731	54	10-149-383	31.64	C55 BELT
	Check Date	9/6/2007	Check Nbr	013990	Check Total:	31.64
03455 JOE CLARK	090507	31201	54	10-301-212	675.00	REIMBURSE SUMP PUMP/PIT
	Check Date	9/6/2007	Check Nbr	013991	Check Total:	675.00
03490 CLEAR WATER CAR WASH	080207	31100	52	08-101-295	11.79	CAR WASH
	080207	31100	52	08-101-295	11.79	CAR WASH
	Check Date	9/6/2007	Check Nbr	013992	Check Total:	23.58

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04125 DAVIES WATER #1476	0012331	31201	54	10-301-300	1,410.00	MANHOLE CASTINGS
Check Date	9/6/2007	Check Nbr	013993		Check Total:	1,410.00
04135 DAVIS & KUELTHAU SC	283283	31100	51	02-103-211	50.04	WISCO ENTERPRISES
Check Date	9/6/2007	Check Nbr	013994		Check Total:	50.04
04208 STEVE DEPNER	090507	31100	21	04-249-000	100.00	DEPOSIT RETURN EXC PERMIT 7497
Check Date	9/6/2007	Check Nbr	013995		Check Total:	100.00
04275 DIGICORPORATION	50380	31100	13	04-113-000	-107.90	REDUCE INVENTORY
	50380	31100	51	04-106-291	183.90	FINANCE ENVELOPES
Check Date	9/6/2007	Check Nbr	013996		Check Total:	76.00
07193 GERBER LEISURE PRODUCTS INC	18331	31100	55	07-202-243	461.00	SLIDE/JEFFERSON PARK
Check Date	9/6/2007	Check Nbr	013997		Check Total:	461.00
07580 GUNDERSON UNIFORM & LINEN RENT	1216051	31100	52	08-101-313	29.95	TOWEL/MAT SERVICE
Check Date	9/6/2007	Check Nbr	013998		Check Total:	29.95
08235 HEARTLAND LABEL PRINTERS INC	IVC000155698	31100	51	04-109-315	30.00	MEDIA DISKS FOR SQL SERVER
Check Date	9/6/2007	Check Nbr	013999		Check Total:	30.00
10305 DAKOKA JONES	090507	31201	54	10-301-212	314.43	REIMBURSE SUMP PUMP/PIT
Check Date	9/6/2007	Check Nbr	014000		Check Total:	314.43
11165 KJ WASTE SYSTEMS INC	090107	31266	54	10-307-216	1,426.40	CORRUGATE/CO-MINGLE CONTAINERS
Check Date	9/6/2007	Check Nbr	014001		Check Total:	1,426.40



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11365 KUNDINGER FLUID POWER INC	P568550	31731	54	10-149-383	291.16	PARTS
	C-58481-0	31731	54	10-149-383	-64.46	WATT COIL/CABLE
	Check Date	9/6/2007	Check Nbr	014002	Check Total:	226.70
12110 LAMERS BUS LINES INC	318083	31100	55	07-201-205	153.00	TRIP TO WINNEGAMIE GOLF
	318082	31100	55	07-201-205	229.50	TRIP TO WINNEGAMIE GOLF
	Check Date	9/6/2007	Check Nbr	014003	Check Total:	382.50
12225 JOSEPH LAUX	090507	31100	51	01-102-331	58.20	MILEAGE
	Check Date	9/6/2007	Check Nbr	014004	Check Total:	58.20
12375 LEVENHAGEN CORPORATION	60342	31207	55	07-205-381	1,600.00	LEAD FREE GASOLINE
	Check Date	9/6/2007	Check Nbr	014005	Check Total:	1,600.00
12450 LINCOLN CONTRACTORS SUPPLY INC	10382600	31100	55	07-202-315	1,094.00	TRASH PUMP
	Check Date	9/6/2007	Check Nbr	014006	Check Total:	1,094.00
13043 MANAWA TELEPHONE CO	090107	31100	51	04-109-221	39.95	CABIN DSL
	Check Date	9/6/2007	Check Nbr	014007	Check Total:	39.95
13149 MATTHEWS COMMERCIAL TIRE CTR	021795	31731	54	10-149-382	24.76	FLAT REPAIR/SUPPLIES
	021855	31731	54	10-149-382	403.66	REPAIR
	Check Date	9/6/2007	Check Nbr	014008	Check Total:	428.42

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13360 MENASHA ELECTRIC & WATER UTILI		31100	12	04-399-000	7.05	RACINE/NINTH
		31100	54	10-131-223	178.22	TRAFFIC LIGHTS
		31201	54	10-301-223	53.85	LIFT STATIONS
		31100	55	07-202-223	579.31	PARKS
		31100	55	07-202-223	8.76	PARKS
		31100	55	07-202-225	189.62	PARKS
Check Date	9/6/2007	Check Nbr	014009	Check Total:	1,016.81	
13370 MENASHA EMPLOYEES CREDIT UNION		31100	21	04-299-020	2,007.00	
	Check Date	9/6/2007	Check Nbr	014010	Check Total:	2,007.00
13375 MENASHA EMPLOYEES LOCAL 1035		31100	21	04-299-031	248.00	
	Check Date	9/6/2007	Check Nbr	014011	Check Total:	248.00
14010 N&M AUTO SUPPLY	179575	31731	54	10-149-383	-59.50	CORE DEPOSIT
	182084	31731	54	10-149-383	67.30	DISC BRAKE PADS
	183675	31731	54	10-149-315	43.98	GREASE GUN
	183605	31731	54	10-149-383	132.73	TRACK LOAD ADJ/OIL FILTERS
	184428	31731	54	10-149-383	72.36	ADAPTER/LAMP STOCK
	184831	31731	54	10-149-300	3.90	REARVIEW MIRROR ADH
Check Date	9/6/2007	Check Nbr	014012	Check Total:	260.77	
14035 NATIONAL ASSOCIATION OF SCHOOL	8007WI	31100	52	08-101-337	425.00	SCHOOL RESOURCE OFF/GOLLNER
	Check Date	9/6/2007	Check Nbr	014013	Check Total:	425.00
14055 NATIONAL CRIME PREVENTION	090407	31262	52	08-101-311	60.00	PUBLICATIONS
	Check Date	9/6/2007	Check Nbr	014014	Check Total:	60.00
14131 NATIONWIDE TRAVELERS	17448	31100	21	04-269-000	605.00	REIFS MILLS WI TRIP
	Check Date	9/6/2007	Check Nbr	014015	Check Total:	605.00

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14220 NEENAH-MENASHA SEWERAGE COMM	2007-149	31201	54	10-302-250	17,648.00	SEPT BOND ISSUE CHARGES
	2007-143	31201	54	10-302-250	64,021.80	SEPT 2007 WASTEWATER TREATMENT
Check Date	9/6/2007	Check Nbr	014016	Check Total:	81,669.80	
14385 NOFFKE LUMBER INC	070720805678	31207	55	07-205-240	9.28	MARINA
	070720805682	31207	55	07-205-240	29.06	GROUND-TREATED LUMBER
Check Date	9/6/2007	Check Nbr	014018	Check Total:	38.34	
15285 OUTAGAMIE COUNTY TREASURER	73831	31100	52	08-101-250	91.89	K9 SERVICES/BOMB THREAT
Check Date	9/6/2007	Check Nbr	014019	Check Total:	91.89	
16025 PACKER CITY INTERNATIONAL	3272210028	31731	54	10-149-383	161.91	AIR FILT/HYDRAULI
	3272210029	31731	54	10-149-383	10.22	AIR FILT
Check Date	9/6/2007	Check Nbr	014020	Check Total:	172.13	
16095 PARTS ASSOCIATES INC	PAI0676265	31731	54	10-149-300	437.59	FUSES/BITS/WEATHERPACKS
Check Date	9/6/2007	Check Nbr	014021	Check Total:	437.59	
16190 PEPSIAMERICAS	7220322605	31100	55	07-203-317	392.00	POOL CONCESSIONS
Check Date	9/6/2007	Check Nbr	014022	Check Total:	392.00	
02541 PHYLIS BLOOD	082707	31100	21	04-269-000	20.00	REFUND TRIP CANCELLATION
Check Date	9/6/2007	Check Nbr	013985	Check Total:	20.00	
16300 PIGGLY WIGGLY #24	324097	31100	55	07-201-300	178.10	GRUNSKI SUPPLIES
	2415	31100	55	07-203-338	60.71	STAFF MEETING/WITH MEAL
Check Date	9/6/2007	Check Nbr	014023	Check Total:	238.81	
18350 RICK'S AUTO GLASS INC	WO14105	31731	54	10-149-294	215.00	SAFETY GLASS
Check Date	9/6/2007	Check Nbr	014024	Check Total:	215.00	

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19007 SA-SO	5020629	31100	52	08-101-315	62.38	PERSONAL SMOKER'S CEASEFIRE
	Check Date	9/6/2007	Check Nbr	014025	Check Total:	62.38
19160 SCHILLER'S TREE SERVICE INC	15227	31100	56	07-101-206	1,963.75	STUMP REMOVAL
	Check Date	9/6/2007	Check Nbr	014026	Check Total:	1,963.75
19246 ROBERT SCHWANKE	090507	31201	54	10-301-212	675.00	REIMBURSE SUMP PUMP/PIT
	Check Date	9/6/2007	Check Nbr	014027	Check Total:	675.00
19262 SANDRA SCOVROSKI	090507	31100	55	07-201-300	24.90	TINY TOTS SUPPLIES
	Check Date	9/6/2007	Check Nbr	014028	Check Total:	24.90
19325 SERVICE MOTOR COMPANY	IV51379	31731	54	10-149-383	49.32	SEAT CABLE
	IV51924	31731	54	10-149-383	33.00	SWITCH/CONNECTOR
	Check Date	9/6/2007	Check Nbr	014029	Check Total:	82.32
19440 SOMMERVILLE FLAG	081307	31100	55	07-202-300	110.00	FLAG FOR PARK DEPT
	Check Date	9/6/2007	Check Nbr	014030	Check Total:	110.00
19787 SWIDERSKI EQUIPMENT INC	010296	31731	54	10-149-383	236.60	FLAIL KNIFE/BLADE CLEVIS
	010296	31731	54	10-149-383	-34.64	ADJUSTMENT INVOICE 010002
	Check Date	9/6/2007	Check Nbr	014031	Check Total:	201.96
20075 TEL/COM	10064510	31100	51	04-109-221	7.95	IS/JAMES
	10064510	31100	51	10-115-221	7.95	CITY HALL/QUICK
	10064510	31100	55	06-101-221	7.95	LIBRARY/POWELL
	Check Date	9/6/2007	Check Nbr	014032	Check Total:	23.85
21162 UNIVERSITY OF WISCONSIN-EXTENS	1006708	31100	56	03-202-332	145.00	WORKSHOP FEE
	Check Date	9/6/2007	Check Nbr	014033	Check Total:	145.00

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21205 US CELLULAR	200267787-0042	31100	51	01-102-221	45.64	LAUX
	200267787-0042	31100	51	02-103-221	39.39	BRANDT
	200267787-0042	31100	51	04-106-221	10.74	STOFFEL
	200267787-0042	31100	51	04-109-221	146.27	JAMES/LACEY
	200267787-0042	31100	51	10-115-221	39.39	ALIX
	200267787-0042	31100	52	08-101-221	529.67	POLICE
	200267787-0042	31100	53	09-103-221	45.64	DREW
	200267787-0042	31100	53	09-119-221	108.11	NETT/HEALTH
	200267787-0042	31100	54	10-111-221	160.58	RADTKE/ENGINEERING
	200267787-0042	31731	54	10-149-221	71.68	JACOBSON/NIELAND
	200267787-0042	31201	54	10-301-221	10.22	CONFINED SPACE
	200267787-0042	31100	55	07-201-221	71.63	TUNGATE
	200267787-0042	31100	55	07-202-221	211.76	HUSS/PARKS
	200267787-0042	31100	55	07-203-221	27.19	POOL
	200267787-0042	31100	56	03-202-221	69.86	KEIL/BECKENDORF
Check Date 9/6/2007 Check Nbr 014034 Check Total:					1,587.77	
21226 US OIL CO INC	3054	31100	52	08-101-295	9.41	POLICE MOTORCYCLE
	587692	31100	13	04-103-000	18,735.74	NO LEAD & DIESEL
	587569	31100	13	04-101-000	-450.40	CONTRACT PREPAY
	587567	31100	13	04-101-000	-350.20	CONTRACT PREPAY
Check Date 9/6/2007 Check Nbr 014035 Check Total:					17,944.55	
22215 ALLAN VAN LINN	090507	31201	54	10-301-212	675.00	REIMBURSE SUMP PUMP/PIT
	Check Date 9/6/2007 Check Nbr 014036 Check Total:					675.00
23090 WATERBLAST EQUIPMENT LLC	9159	31731	54	10-149-242	89.00	PRESSURE WASHER REPAIR
	Check Date 9/6/2007 Check Nbr 014037 Check Total:					89.00
23154 WEDA		31100	56	03-202-332	175.00	FALL CONFERENCE/BECKENDORF
	Check Date 9/6/2007 Check Nbr 014038 Check Total:					175.00

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23215 WIL-KIL PEST CONTROL	1166775	31731	54	10-149-207	62.00	CONTRACT
Check Date	9/6/2007	Check Nbr	014039	Check Total:	62.00	
23275 WINNEBAGO COUNTY TREASURER	090507	31100	51	04-305-250	172.41	TAXES ON 105 RACINE ST
Check Date	9/6/2007	Check Nbr	014040	Check Total:	172.41	
23455 WISCONSIN SUPPORT COLLECTIONS		31100	21	04-299-015	436.31	
		31100	21	04-299-016	138.40	
Check Date	9/6/2007	Check Nbr	014041	Check Total:	574.71	
14235 NEENAH-MENASHA YMCA	2831	31100	52	08-101-216	45.00	FITNESS ASSESSMENT/POLICE
	2830	31100	52	08-101-216	90.00	2 FITNESS ASSESSMENTS/POLICE
Check Date	9/6/2007	Check Nbr	014017	Check Total:	135.00	
Grand Total:					126,365.96	

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01075 ACCURATE SUSPENSION WAREHOUSE	7014792	31731	54	10-149-383	76.36	LIGHT BULBS/MINI LAMP/STOCK
	Check Date	9/13/2007	Check Nbr	014042	Check Total:	76.36
01360 ALFERI INDUSTRIAL SALES & SERV	159064	31100	55	07-202-300	15.00	BALANCE PACKING SLIP 55636
	Check Date	9/13/2007	Check Nbr	014043	Check Total:	15.00
01630 AMERICAN RED CROSS OF NEENAH-	1651	31100	12	04-399-000	10.00	BILL UTILITIES
	1651	31100	12	04-399-000	10.00	BILL ADVOCAP
	1651	31100	12	04-399-000	385.00	BILL UTILITIES
	1651	31100	51	04-106-337	5.00	CPR/AED
	1651	31100	53	09-102-337	15.00	CPR/AED
	1651	31731	54	10-149-337	30.00	CPR/AED
	1651	31100	55	06-101-337	30.00	CPR/AED
	1651	31100	55	07-201-337	5.00	CPR/AED
	1651	31100	55	07-202-337	20.00	CPR/AED
	Check Date	9/13/2007	Check Nbr	014044	Check Total:	510.00
01675 AMT		31100	21	04-299-022	150.00	
	Check Date	9/13/2007	Check Nbr	014045	Check Total:	150.00
19120 AT&T	920R09453009	31100	51	10-115-221	69.90	MONTHLY CHARGES
	920R09453009	31201	54	10-301-221	185.10	MONTHLY CHARGES
	Check Date	9/13/2007	Check Nbr	014085	Check Total:	255.00
02040 BADGER HIGHWAYS CO INC	137304	31100	54	10-121-300	17,891.55	HOTMIX ASPHALT
	Check Date	9/13/2007	Check Nbr	014046	Check Total:	17,891.55
02335 BECK ELECTRIC INC	D242	31100	55	07-202-240	125.72	BALLAST AND BULBS
	Check Date	9/13/2007	Check Nbr	014047	Check Total:	125.72

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03060 CALUMET COUNTY REGISTER OF DEE	677	31100	51	02-104-218	7.00	RECORDING FEES CSM
	Check Date	9/13/2007	Check Nbr	014048	Check Total:	7.00
03090 CANTILEVER	082507	31485	56	03-202-822	209.04	PRINTING/TRAVEL TIME
	Check Date	9/13/2007	Check Nbr	014049	Check Total:	209.04
03490 CLEAR WATER CAR WASH	1880	31100	52	08-101-295	106.74	INTERIOR CLEANING/WASH SQUADS
	Check Date	9/13/2007	Check Nbr	014050	Check Total:	106.74
04275 DIGICORPORATION	50463	31731	54	10-149-291	310.00	EQUIPMENT AND JOB TICKETS
	Check Date	9/13/2007	Check Nbr	014051	Check Total:	310.00
04450 DWD-UI	67600	31100	51	04-107-162	566.28	ASSESSOR
	Check Date	9/13/2007	Check Nbr	014052	Check Total:	566.28
06115 FERRELLGAS	1017036032A	31731	54	10-149-300	7.96	HAZMAT/SURCHARGE FEES
	Check Date	9/13/2007	Check Nbr	014053	Check Total:	7.96
06225 FIRST SUPPLY LLC	6972369-00	31100	55	07-202-240	57.72	VALVE/SMITH PARK
	6960956-00	31100	55	07-202-240	121.65	PVC PIPE/PUMP DRAIN
	Check Date	9/13/2007	Check Nbr	014054	Check Total:	179.37
06700 BARBARA FUNK	091207	31201	54	10-301-212	675.00	REIMBURSE SUMP PUMP/PIT
	Check Date	9/13/2007	Check Nbr	014055	Check Total:	675.00
07045 DEBBIE GALEAZZI	091007	31100	51	02-104-336	97.97	MEETING/BROOKFIELD/ELECTIONS
	Check Date	9/13/2007	Check Nbr	014056	Check Total:	97.97



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07055 GALL'S INC	5900050800016	31100	52	08-101-193	63.30	SHORTS/LEATHER BELT
	5900050800024	31100	52	08-103-300	413.54	MESH VESTS
	Check Date	9/13/2007	Check Nbr	014057	Check Total:	476.84
07080 GANNETT WISCONSIN NEWSPAPERS	0002935588	31100	51	04-101-292	879.20	LEGALS
	Check Date	9/13/2007	Check Nbr	014058	Check Total:	879.20
08190 HAWKINS INC	1102707	31100	55	07-203-300	3,053.77	CALCIUM HYPOCHLORITE/CHEMICALS
	1102706RM	31100	55	07-203-300	-1,729.75	CALCIUM HYPOCHLORITE
	Check Date	9/13/2007	Check Nbr	014059	Check Total:	1,324.02
10335 JX ENTERPRISES INC	G272270001	31731	54	10-149-383	145.94	DIPSTICK-ENGINE OIL
	Check Date	9/13/2007	Check Nbr	014060	Check Total:	145.94
11075 GREG KEIL	091007	31100	56	03-202-311	5.25	POSTAGE
	091007	31100	56	03-202-331	259.00	MILEAGE
	091007	31100	56	03-202-333	77.00	MEALS
	091007	31100	56	03-202-334	2.25	PARKING
	Check Date	9/13/2007	Check Nbr	014061	Check Total:	343.50
13097 MARSHALL & ILSLEY TRUST-MILW	5107268	31100	51	02-105-216	260.00	MONTHLY FEE
	Check Date	9/13/2007	Check Nbr	014062	Check Total:	260.00
13150 MATTHEWS TIRE & AUTO SERVICE	319995	31731	54	10-149-382	266.80	REPAIR
	Check Date	9/13/2007	Check Nbr	014063	Check Total:	266.80
13345 MENARDS-APPLETON EAST	89148	31100	55	07-202-315	39.84	MINI CELL PHONE HOLDER
	Check Date	9/13/2007	Check Nbr	014064	Check Total:	39.84

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13360 MENASHA ELECTRIC & WATER UTILI	002810	31201	54	10-302-250	17,616.75	JULY SEWER CHARGES
Check Date	9/13/2007	Check Nbr	014065	Check Total:	17,616.75	
13370 MENASHA EMPLOYEES CREDIT UNION		31100	21	04-299-020	2,007.00	
		31100	21	04-299-020	19,426.00	
Check Date	9/13/2007	Check Nbr	014066	Check Total:	21,433.00	
13375 MENASHA EMPLOYEES LOCAL 1035		31100	21	04-299-031	248.00	
Check Date	9/13/2007	Check Nbr	014067	Check Total:	248.00	
13377 MENASHA EMPLOYEES LOCAL 1035B		31100	21	04-299-032	221.76	
Check Date	9/13/2007	Check Nbr	014068	Check Total:	221.76	
13435 MENASHA POSTMASTER	083107	31100	53	09-212-311	45.00	OCTOBER NEWSLETTER
Check Date	9/13/2007	Check Nbr	014069	Check Total:	45.00	
13470 TOWN OF MENASHA UTILITY DIST	083107	31100	55	07-202-225	23.13	1000 GENEVA RD FNTN
	083107	31100	55	07-202-225	560.21	1000 GENEVA RD KOSLO
Check Date	9/13/2007	Check Nbr	014070	Check Total:	583.34	
13685 MINNESOTA MUTUAL LIFE INSURANC	OCTOBER2007	31100	21	04-618-000	2,470.29	PREMIUMS OCTOBER 2007
Check Date	9/13/2007	Check Nbr	014071	Check Total:	2,470.29	
13775 MOST DEPENDABLE FOUNTAINS	INV09055	31100	55	07-202-240	99.00	CLOVIS/KOSLO BUBBLERS
Check Date	9/13/2007	Check Nbr	014072	Check Total:	99.00	
13870 PEGGY MURPHY	083107	31100	53	09-102-331	29.29	MILEAGE
	083107	31100	53	09-114-331	24.30	MILEAGE
	083107	31100	53	09-118-338	9.72	MEALS/CONFERENCE OSHA
Check Date	9/13/2007	Check Nbr	014073	Check Total:	63.31	

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14205 CITY OF NEENAH TREASURER	30635	31100	51	04-109-214	1,154.16	IS SUPPORT/DISASTER REC PLAN
Check Date	9/13/2007	Check Nbr	014074		Check Total:	1,154.16
15100 RAY O'HERRON COMPANY INC	0723157IN	31100	52	08-101-315	764.62	TASER CARTRIDGES
Check Date	9/13/2007	Check Nbr	014076		Check Total:	764.62
15080 OFFICEMAX CONTRACT INC	143817	31100	51	10-115-310	25.35	OFFICE SUPPLIES/2ND FLOOR PAPR
	143817	31100	54	10-111-310	5.04	OFFICE SUPPLIES/ENG
	143817	31100	55	07-201-310	2.99	OFFICE SUPPLIES/PARK AND REC
	143817	31100	56	03-202-310	21.56	OFFICE SUPPLIES/COM DEV
	985343	31100	51	02-105-310	9.98	OFFICE SUPPLIES/PERSONNEL
	973759	31100	51	10-115-310	23.58	SECOND FLOOR PAPER
	973759	31100	55	07-201-310	31.60	OFFICE SUPPLIES/PARK & REC
	973759	31100	56	03-202-310	12.99	OFFICE SUPPLIES/COM DEV
Check Date	9/13/2007	Check Nbr	014075		Check Total:	133.09
16025 PACKER CITY INTERNATIONAL	3272270037	31731	54	10-149-383	45.51	HYDRAULI
	3272320027	31731	54	10-149-383	7.59	SUPPLIES
	3272320017	31731	54	10-149-383	52.49	CLAMPS/FILTERS
Check Date	9/13/2007	Check Nbr	014077		Check Total:	105.59
16465 POSTAL ANNEX	117491	31100	52	08-101-311	7.09	POLICE
	118276	31100	52	08-101-311	5.84	POLICE
	118385	31100	53	09-103-311	48.91	HEALTH
	118612	31100	52	08-101-311	11.43	POLICE
Check Date	9/13/2007	Check Nbr	014078		Check Total:	73.27
16775 DAVID POWELL	090807	31100	51	10-115-331	24.78	MILEAGE
Check Date	9/13/2007	Check Nbr	014079		Check Total:	24.78

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16805 PRO-X SYSTEMS LAWCARE	86146	31100	55	07-202-206	188.36	FERTILIZE AND WEED
	Check Date 9/13/2007	Check Nbr	014080		Check Total: 188.36	
16864 PROFESSIONAL PROCESS SERVICE	5019	31100	51	02-103-211	44.00	SUBPEONA/CORBETT
	5017	31100	51	02-103-211	79.00	SUBPEONA/KIEFER
	Check Date 9/13/2007	Check Nbr	014081		Check Total: 123.00	
18500 RUDOLPH & ASSOCIATES	070378	31100	56	03-202-216	300.00	APPRAISAL SVCS/121 RIVER ST
	Check Date 9/13/2007	Check Nbr	014082		Check Total: 300.00	
19065 SAGE INC	21393	31100	55	07-202-300	41.00	BRASS PADLOCK
	Check Date 9/13/2007	Check Nbr	014083		Check Total: 41.00	
19090 NADYNE SANDER	091107	31100	22	04-101-000	17.00	REFUND/CHILD DID NOT MEET REQE
	Check Date 9/13/2007	Check Nbr	014084		Check Total: 17.00	
19327 SERVICEMASTER BUILDING MTNCE	116790	31100	52	08-101-201	1,495.00	JANITORIAL SEPTEMBER 2007
	116871	31100	52	08-101-201	100.00	CLEAN GARAGE/AUG/SEPT
	Check Date 9/13/2007	Check Nbr	014086		Check Total: 1,595.00	
19356 SHERWIN-WILLIAMS CO	5493-1	31100	54	10-134-300	68.13	PAINT/THINNER/STORM GRATE
	5565-6	31100	55	07-203-240	28.64	POOL PAINT
	Check Date 9/13/2007	Check Nbr	014087		Check Total: 96.77	
19380 SHOPKO STORES INC	51534	31100	53	09-118-300	11.86	EMERGENCY PREPAREDNESS
	Check Date 9/13/2007	Check Nbr	014088		Check Total: 11.86	
19410 SKID & PALLET	020722	31100	55	07-202-300	658.00	LANDSCAPE MULCH
	020798	31100	55	07-202-300	476.00	LANDSCAPE MULCH
	Check Date 9/13/2007	Check Nbr	014089		Check Total: 1,134.00	

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19623 STAFFORD ROSENBAUM LLP	1067887	31100	51	04-107-211	75.00	PROFESSIONAL SERVICES
Check Date	9/13/2007	Check Nbr	014090		Check Total:	75.00
19710 GORDON N STOWE ASSOCIATES	357275	31100	53	09-102-243	160.00	AUDIOMETER CALIBRATION
Check Date	9/13/2007	Check Nbr	014091		Check Total:	160.00
19787 SWIDERSKI EQUIPMENT INC	010452	31731	54	10-149-383	87.36	BRACKET
Check Date	9/13/2007	Check Nbr	014092		Check Total:	87.36
20075 TEL/COM	10064430	31262	52	08-101-221	312.93	VICTIM CRISIS
Check Date	9/13/2007	Check Nbr	014093		Check Total:	312.93
20115 TESCH CHEMICAL CO INC	TC109149	31100	55	07-202-315	25.80	MOP HANDLE
Check Date	9/13/2007	Check Nbr	014094		Check Total:	25.80
20145 THEDACARE	9742916	31100	52	08-101-215	331.20	VENIPUNCTURES
	9742915	31100	52	08-101-215	110.40	VENIPUNCTURES
Check Date	9/13/2007	Check Nbr	014095		Check Total:	441.60
20155 THEDACARE LABORATORIES	22460-61	31100	12	04-399-000	57.80	HEPATITIS B
Check Date	9/13/2007	Check Nbr	014096		Check Total:	57.80
21045 UNIFIRST CORPORATION	0970018547	31731	54	10-149-201	75.86	MAT/MOP/TOWEL/CLOTHING SERVICE
Check Date	9/13/2007	Check Nbr	014097		Check Total:	75.86
21095 UNITED WAY FOX CITIES		31100	21	04-299-021	99.50	
Check Date	9/13/2007	Check Nbr	014098		Check Total:	99.50

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21150 UNIVERSITY OF WISCONSIN	091007	31262	52	08-101-332	750.00	CRISIS INTERVENTION CONFERENCE
	Check Date	9/13/2007	Check Nbr	014099	Check Total:	750.00
21226 US OIL CO INC	4740	31100	52	08-101-295	45.29	SQUAD 22 GASOLINE
	Check Date	9/13/2007	Check Nbr	014100	Check Total:	45.29
	L31904	31731	54	10-149-242	12.00	SAMPLE
	Check Date	9/13/2007	Check Nbr	014101	Check Total:	12.00
22025 VALLEY CHEMICAL LLC	0016213-IN	31100	55	07-203-243	121.22	REPAIR VACUUM
	Check Date	9/13/2007	Check Nbr	014102	Check Total:	121.22
23130 WAVERLY SANITARY DISTRICT	082907	31100	55	07-202-225	53.95	BARKER FARM PAVILION
	Check Date	9/13/2007	Check Nbr	014103	Check Total:	53.95
	091007	31485	56	03-202-822	4,100.00	FACILITY CONN FEE/NATURES WAY
	Check Date	9/13/2007	Check Nbr	014104	Check Total:	4,100.00
23152 WE ENERGIES	082607	31100	55	07-202-223	8.56	NORTH ST
	082607	31100	55	07-202-223	9.28	NORTH ST
	Check Date	9/13/2007	Check Nbr	014105	Check Total:	17.84
23160 WERNER ELECTRIC SUPPLY CO	S2235815-001	31100	13	04-106-000	287.16	INVENTORY
	S2225848.001	31100	55	07-202-240	165.68	KOSLO SCOREBOARD
	Check Date	9/13/2007	Check Nbr	014106	Check Total:	452.84
23275 WINNEBAGO COUNTY TREASURER	LF112458	31100	54	10-304-250	8,476.49	LANDFILL FACILITY
	LF112458	31100	54	10-305-216	2,473.55	LANDFILL FACILITY
	LF112458	31266	54	10-307-216	1,640.05	LANDFILL FACILITY
	Check Date	9/13/2007	Check Nbr	014107	Check Total:	12,590.09

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23322 WISCONSIN BUREAU OF	091107	31100	44	04-104-000	1,079.90	REIMBURSEMENT OF FEES
	091107	31100	44	04-115-000	15.00	REIMBURSEMENT OF FEES
Check Date	9/13/2007	Check Nbr	014108	Check Total:	1,094.90	
23350 WISCONSIN DEPARTMENT OF AGRICU	091107	31100	44	04-113-000	238.40	REIMBURSEMENT OF AGENT FEES
	Check Date	9/13/2007	Check Nbr	014109	Check Total:	238.40
23356 WISCONSIN DEPARTMENT OF COMMER	091107	31100	44	04-312-000	185.00	REIMBURSE STATE FEES
	Check Date	9/13/2007	Check Nbr	014110	Check Total:	185.00
23371 WISCONSIN DEPT OF JUSTICE-TIME	L7101T	31100	52	08-101-216	60.00	NAME SEARCHES
	Check Date	9/13/2007	Check Nbr	014111	Check Total:	60.00
23455 WISCONSIN SUPPORT COLLECTIONS		31100	21	04-299-015	436.31	
		31100	21	04-299-016	138.40	
		31100	21	04-299-015	894.60	
	Check Date	9/13/2007	Check Nbr	014113	Check Total:	1,469.31
23435 WMCA DISTRICT VI	091007	31100	51	02-104-337	12.00	DISTRICT MEETING IN CHILTON
	Check Date	9/13/2007	Check Nbr	014112	Check Total:	12.00
Grand Total:					96,000.77	